IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
CHARACTER TECHNOLOGIES, INC.,[1]	Case No. 26-11603 (BLS
Debtor.	**Ref. Docket No. 10**

INTERIM ORDER (I) AUTHORIZING DEBTOR TO (A) PAY PREPETITION WAGES, EMPLOYEE BENEFITS OBLIGATIONS AND OTHER COMPENSATION, (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS AND PAY RELATED ADMINISTRATIVE OBLIGATIONS; AND (II) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of the Debtor for entry of this interim order (this "Interim Order") and a final order (the "Final Order"): (i) authorizing, but not directing, the Debtor, in its discretion, to (a) pay the Wage Obligations and related expenses arising under or related to the Employee Compensation and Benefits Programs and (b) continue to provide its Employee Compensation and Benefits Programs in effect as of the Petition Date (and as may be amended, renewed, replaced, modified, revised, supplemented, or terminated from time to time in the ordinary course of business) and pay related administrative obligations; and (ii) granting related relief, all as more fully set forth in the Motion; and upon consideration of the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this case and this

[1] The Debtor and the last four digits of its taxpayer identification number are: Character Technologies, Inc. (8842). The Debtor's mailing address for purposes of the chapter 11 case is 700 El Camino Real, Suite 120, P.O. Box 1152, Menlo Park, CA 94025.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

proceeding is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtor's notice of the Motion and opportunity for a hearing thereon were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.

2. The final hearing on the Motion (the "Final Hearing") is set for November 17, 2026 at 10:00 a.m. (prevailing Eastern Time). Any objections or responses to the entry of the proposed Final Order shall be filed on or before 4:00 p.m. (prevailing Eastern Time) on October 30, 2026 (the "Objection Deadline"), and shall be served on the following parties or their respective counsel on or before the Objection Deadline: (a) proposed counsel to the Debtor, Wilson Sonsini Goodrich & Rosati, P.C., 222 Delaware Avenue, Suite 800, Wilmington, DE 19801 (Attn: Erin R. Fay, Shane M. Reil, and Heather P. Lambert (emails: efay@wsgr.com, sreil@wsgr.com, and hlambert@wsgr.com)); (b) the Office of the United States Trustee for the District of Delaware, 844 N. King Street, Room 2207, Wilmington, DE 19801 (Attn: Linda Casey (email: Linda.Casey@usdoj.gov)); (c) counsel to Disney; and (d) counsel to any statutory committee appointed in this chapter 11 case. If no objections or responses are filed and served by the Objection Deadline, the Court may enter the Final Order without further notice or hearing.

3. The Debtor is authorized, but not directed, in its discretion, to make cash payments on account of the Prepetition Employee Obligations and related expenses arising under or related

to the Debtor's Employee Compensation and Benefits Programs up to $1,361,000 in the aggregate on an interim basis as set forth in the chart below; *provided, however*, that notwithstanding any other provisions of this Interim Order, no payments are authorized by this Interim Order in excess of the limits set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code unless such excess is the result of cash payments for accrued and unpaid PTO that is required to be paid under applicable state law.

Prepetition Employee Obligation	**Interim Cap**
Compensation, Withholding and Deduction, and Expense Reimbursement	
Wage Obligations	$250,000
Supplemental Worker Obligations	$560,000
Withholding and Deduction Obligations	$92,000
Non-Insider Retention Bonus Program	$86,000
PTO	$114,000
Health and Welfare Coverage and Benefits	
Medical Coverage and Dental and Vision Coverage	$72,000
COBRA Obligations	N/A
Life, Disability and AD&D Insurance Coverage	$2,500
Other Benefits and Reimbursable Expenses	$20,000
Wage, Benefit, and Employee Management Service Providers	
Payroll Processing Fees	$2,000
Benefits Manager Fees	$2,500
Employee 401(k) Plan	
Employee 401(k) Plan	$99,000
TOTAL	**$1,361,000**

4. The Debtor is authorized, but not directed, in its discretion, to: (a) continue its Employee Compensation and Benefits Programs (except, for the avoidance of doubt, the Severance Program, which shall be subject to a final order) in effect as of the Petition Date and pay related administrative expenses; and (b) to amend, renew, replace, modify, revise, supplement, or terminate such Employee Compensation and Benefits Programs in the ordinary course of

business; *provided, however*, that nothing in this paragraph 4 shall authorize the Debtor to make any payment under, or to implement, adopt, or make any change to, any Employee Compensation and Benefits Program to the extent such payment, implementation, adoption, or change is subject to section 503(c) of the Bankruptcy Code, absent further order of the Court, except as set forth herein.

5. The Debtor is authorized, but not directed, in its discretion, to continue the Workers' Compensation Program and make any payments related thereto, including payment of any fees associated with the Workers' Compensation Program and any workers' compensation claim amounts, to the extent that the Debtor determines, in its discretion, that such actions are in the best interests of its estate.

6. The Debtor is authorized, but not directed, in its discretion to perform as required in connection with any Audit related to its Workers' Compensation Program, including payment of any amounts determined to be owing and outstanding in respect thereof during the pendency of this chapter 11 case, without the need for further order of the Court.

7. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their claims under the Workers' Compensation Program in the appropriate judicial or administrative forum and the Debtor is authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course. This modification of the automatic stay pertains solely to claims under the Workers' Compensation Program.

8. The Debtor is authorized, but not directed, in its discretion, to: (a) continue utilizing the Payroll Processor and Benefits Manager in connection with the provision of the Employee Compensation and Benefits Programs described in the Motion and to pay or caused to be paid such

claims as and when such obligations are due; and (b) pay prepetition amounts (up to the amounts set forth above) owing in the ordinary course of business to such Payroll Processor and Benefits Manager in connection with the Employee Compensation and Benefits Programs.

9. The Debtor is authorized to forward any unpaid amounts on account of Withholding and Deduction Obligations to the appropriate third-party recipients in accordance with the Debtor's prepetition practices and policies.

10. The Debtor is authorized to forward any unpaid amounts on account of Employer Payroll Taxes to the appropriate taxing authorities in accordance with the Debtor's prepetition practices and policies.

11. Notwithstanding anything to the contrary in the Motion, the Debtor shall not be authorized to pay any amounts subject to section 503(c) of the Bankruptcy Code pursuant to this Interim Order other than amounts for the Non-Insider Retention Bonus Program.

12. Nothing in this Interim Order nor any actions taken hereunder: (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtor or its estate; (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtor or its estate to contest the validity, priority, or amount of any claim against the Debtor or its estate; (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtor or its estate with respect to any and all claims or causes of action against any third party; (d) shall be construed as a promise to pay a claim or continue any applicable program post-petition, which decision shall be in the discretion of the Debtor; or (e) shall create, or is intended to create, any rights in favor of, or enhance the status of any claim held by, any person.

13. The requirements of Bankruptcy Rule 6003 are satisfied.

14. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

15. The Debtor is authorized and empowered to take all actions necessary to implement the relief granted in this Interim Order.

16. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

17. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: October 14th, 2026
Wilmington, Delaware

BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE