



THE BON-TON STORES, INC.

BON-TON *Bergner's Boston Store Carson's Elder-Beerman Herberger's Youngkers*

General Information

1. What did Bon-Ton announce?

- Bon-Ton has filed voluntary petitions for a court-supervised financial restructuring under Chapter 11.
- We are currently engaged with potential investors and our debtholders on a financial restructuring plan.
- The actions we are taking are intended to give us additional time and financial flexibility to evaluate options for our business, including a possible sale of the Company or certain of our assets. While there is no assurance regarding the outcome from this strategic alternatives process, we will pursue the path that we believe is in the best interests of our stakeholders.
- During this court-supervised process, we plan to continue operating in the normal course and executing on our key initiatives to drive improved performance.

2. Why did Bon-Ton have to take these actions?

- Business trends for us, like many retailers, have been difficult over the past few years.
- The actions we are taking are intended to give us additional time and financial flexibility to evaluate options for our business, including a possible sale of the Company or certain of our assets, while we continue to engage with potential investors and our debtholders on a financial restructuring plan.
- During this court-supervised process, we plan to continue operating in the normal course and executing on our key initiatives to drive improved performance. The Company's continuing stores, as well as our e-commerce and mobile platforms are open and operating as usual.
- We expect to move through this process as expeditiously as possible.

3. Does this mean the Company or its brands are going out of business?

- No. We expect to continue operating in the normal course.
- The court-supervised process will allow us to continue to pay our associates and meet our obligations to operate without interruption consistent with Chapter 11 and applicable court orders.

4. What is Chapter 11 of the U.S. Bankruptcy Code?

- Chapter 11 is a compilation of provisions of the U.S. Bankruptcy Code that allows companies to implement financial and operational restructurings through a court-supervised proceeding while continuing to operate their businesses.
- Chapter 11 in the United States is a well-established legal process whereby companies reorganize their financial obligations and emerge as stronger organizations, while operating in the normal course.
- Chapter 11 is very different from Chapter 7 and other types of bankruptcy, where the focus is on liquidating a company and going out of business.
- For Bon-Ton, the Chapter 11 process provides an orderly path to reduce our company's debt, address our store leases and establish a sustainable capital structure to support the business long-term. We have been, and remain in, constructive discussions with potential investors and our debtholders regarding the terms of a financial restructuring plan.

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- Under a Chapter 11 filing — unlike a Chapter 7 filing — management remains in control of the business and the Company largely maintains normal operations.
- In Chapter 11, companies continue to fund ongoing operating obligations, including payroll and benefits, payments to vendors for “after filing” goods and services and routine capital expenditures, either through cash on hand or new financing.

5. What is the difference between a voluntary filing and involuntary filing?

- A voluntary filing is initiated by the debtor (in this case, Bon-Ton) while an involuntary filing is initiated by creditors (such as a lender).
- In Bon-Ton’s case, we intend to use this court-supervised process to continue engaging with potential investors and our debtholders regarding the terms of a financial restructuring plan.
- During this court-supervised process, we plan to continue operating in the normal course and executing on our key initiatives to drive improved performance.

6. When is the Company expected to emerge from Chapter 11?

- It is our intent to move through this process with the support of our key financial stakeholders as expeditiously as possible.
- We will keep you informed of important milestones as we move forward.

7. Can you provide more detail on the Company’s financing for this process and going forward?

- We have received a commitment for up to \$725 million in new debtor-in-possession (“DIP”) financing from certain of our existing ABL lenders. Upon approval by the court, this new financing will be used to support the business through the financial restructuring process.
- We continue to engage with potential investors and our debtholders on a financial restructuring plan.
- The actions we are taking are intended to give us additional time and financial flexibility to evaluate options for our business, including a possible sale of the Company or certain of our assets.

8. Why is the Company exploring strategic alternatives?

- Business trends for us, like many retailers, have been difficult over the past few years.
- We are currently engaged with potential investors and our debtholders on a financial restructuring plan and part of the court-supervised process is evaluating options for our business, including a possible sale of the Company or certain of our assets.
- While there is no assurance regarding the outcome from this strategic alternatives process, we will pursue the path that we believe is in the best interest of our company, associates and our stakeholders.

9. Bon-Ton recently announced the closure of 42 additional stores. Are any additional stores being closed as a result of the Chapter 11 announcement?

- As announced on January 31, 2018, we are closing 47 stores in 2018, four of which closed in January and one store that is near completion and 42 additional at which store closing sales began on February 1, 2018 and will run for approximately 10 to 12 weeks. For the full list of the store closures, please visit the Company’s investor relations website at <http://investors.bonton.com/>

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- There are no plans to close additional stores at this time. Decisions regarding our store portfolio will continue to be made based on what makes the best sense for our business just as they always have.

Vendor Information

10. Will Bon-Ton pay my pre-petition invoice for goods or services provided prior to February 4, 2018?

- As is customary, pre-petition amounts are addressed through the Chapter 11 case.
- Bon-Ton cannot pay claims for goods and services delivered prior to our filing on February 4, 2018 without specific court approval.
- Vendors with questions regarding goods and services delivered prior to February 4, 2018 can contact the hotline maintained by our claims agent, Prime Clerk, at (844) 253-1011 (U.S. toll-free) or (347) 338-6537 (international).

11. When will I be paid for goods and services delivered before Bon-Ton's filing? Is there anything I can do to expedite this process?

- Bon-Ton cannot pay claims for goods and services delivered prior to our filing on February 4, 2018 without specific court approval.
- Payment for goods and services delivered prior to the filing will be addressed through the Chapter 11 process.

12. What assurances can you provide that my company will be paid for goods and services provided to Bon-Ton in the future?

- Bon-Ton expects to pay vendors in the normal course for all goods and services delivered after February 4, 2018.
- We have received a commitment for up to \$725 million in new debtor-in-possession ("DIP") financing from certain of our existing ABL lenders. Upon approval by the court, this new financing will be used to support the business through the financial restructuring process.

13. Has Bon-Ton secured Debtor-in-Possession (DIP) financing?

- We have received a commitment for up to \$725 million in new debtor-in-possession ("DIP") financing from certain of our existing ABL lenders. Upon approval by the court, this new financing will be used to the Company's operations during the court-supervised restructuring process.

14. Will there be a critical vendor motion?

- No. Bon-Ton is not filing a critical vendor motion.
- Our relationship with your company is very important, and we will do everything we can to maintain that relationship with you just as we have always done.

15. Will there be a foreign vendor motion? How will I know if I am included in the motion?

- Yes. The Company has asked for authority to honor the pre-petition claims of certain foreign vendors and expects to receive court approval for these requests.
- The Company will coordinate with vendors via normal channels to discuss foreign vendor eligibility.

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16. Will there be a freight motion?

- The Company has asked for authority to honor certain pre-petition claims of shippers and import claimants and expects to receive court approval for these requests.
- The Company will coordinate with such claimants via normal channels to discuss their eligibility.

17. I believe I have a 503(b)(9) claim. When will that claim be paid?

- Claims for goods (not services) delivered to the Company within the 20 days prior to the February 4, 2018 filing may be entitled to priority treatment.
- The Company has asked for authority to honor claims that fall into this specific category and expects to receive court approval for these requests.
- If you believe that goods you shipped fall into this category, please send us that information so our team can review. The Company will coordinate with vendors via normal channels to discuss eligibility for payment.

18. What determines whether an invoice is a pre-petition or post-petition claim? What's the difference?

- Goods and services delivered prior to Bon-Ton's February 4, 2018 filing are considered pre-petition and will be addressed through the Chapter 11 process.
- Goods and services delivered after our filing date are considered post-petition and will be paid in the normal course.
- In making this distinction, the key factor is not the invoice date but when the goods or services were delivered and Bon-Ton became legally responsible for payment.

19. My company issued an invoice after the filing date for goods or services provided prior to the filing. Is it pre-petition or post-petition?

- The key factor is not the invoice date but rather when the goods or services were delivered and Bon-Ton became legally responsible for payment.
- If this date is prior to our filing date, the claim will be considered pre-petition, regardless of the date of the invoice.

20. Can my company reissue an invoice to expedite payment?

- The determination of whether a claim is paid in the normal course or addressed through the Chapter 11 process is based on the date the goods or services were delivered, not on the date of the invoice.
- Accordingly, your claim cannot be expedited by reissuing the invoice.

21. Can vendors apply payments made after the filing to pre-petition invoices?

- No. Vendors must maintain a distinction between receivables for goods and services provided to Bon-Ton before the Chapter 11 filing and receivables for goods and services provided after the filing.

22. Can I take back merchandise that has been delivered to Bon-Ton?

- No. It is against the law to take goods back from a company that has filed for chapter 11 protection without approval by the Bankruptcy Court.

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23. I have deposited a check payment from Bon-Ton for merchandise delivered prior to the filing date but it was not cleared by my bank. Can I have a new check issued?

- We apologize for any disruption our filing has caused with our vendor relationships, but it was a necessary part of our restructuring process as we have communicated.
- Since our bankruptcy filing date on February 4, 2018, we are no longer allowed to remit payment for pre-petition obligations (obligations where goods or services were provided prior to February 4, 2018), subject to court authorization.
- This includes outstanding checks that have not cleared our bank accounts by that date.
- Vendors who currently believe they have pre-petition obligations or hold pre-petition checks that did not clear in sufficient time prior to our bankruptcy filing date should contact Prime Clerk at (844) 253-1011 (U.S. toll-free) or (347) 338-6537 (international) regarding these claims.

24. Are there any forms I need to complete or anything else I need to do now to file my claim?

- Bon-Ton's claims agent, Prime Clerk, will be providing the appropriate forms once a deadline for filing claims has been set. Proof of claims forms and other information about the claims process will be available at the following website: <https://cases.primeclerk.com/bonton>.
- In addition, vendors with questions regarding goods and services delivered prior to February 4, 2018, can contact the hotline maintained by our claims agent, Prime Clerk, at (844) 253-1011 (U.S. toll-free) or (347) 338-6537 (international).
- Any questions you have about your specific situation would be most appropriately addressed by your own legal counsel.

25. Will Bon-Ton continue to order goods and services from its vendors?

- Yes. We expect to continue operations as normal throughout this process and intend to pay vendors in full for goods and services provided after the filing date.

26. We have a contract with Bon-Ton. Are you going to be able to satisfy it?

- We intend to continue working with our vendors and intend to pay vendors in full for goods and services furnished after the filing date of February 4, 2018.
- The bankruptcy filing requires both parties to continue to honor their post-petition obligations in the ordinary course. Before you take any steps to terminate or not perform under the contract, you should contact a bankruptcy attorney, because such actions would violate bankruptcy law.

27. Can I renegotiate my contract terms with the Company?

- It is important to understand that we expect to continue operating the business and serving our customers in the normal course throughout this court-supervised financial restructuring process.
- Under the Bankruptcy Code, you are required to perform under your contracts with the Company.
- We remain committed to continuing our relationship with you and to doing everything we normally do to maintain our operations.
- The cooperation of all of our vendors is essential to a successful outcome of this process.

28. How do I file a proof of claim?

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- Proof of claims forms and other information about the claims process will be available at the following website: <https://cases.primeclerk.com/bonton>.

Additional Information

29. How can I get a copy of the Chapter 11 petition?

- Our claims agent, Prime Clerk, has set up a website at <https://cases.primeclerk.com/bonton>, which includes court documents and other information.

30. Where can vendors go if they have additional questions?

- If you have additional questions about the reorganization process, or about goods and services delivered after February 4, 2018, please do not hesitate to reach out to your usual contact at Bon-Ton.
- Vendors with questions regarding goods and services delivered prior to February 4, 2018, can contact the hotline maintained by our claims agent, Prime Clerk, at (844) 253-1011 (U.S. toll-free) or (347) 338-6537 (international).
- You can also find additional information on website, www.bontonrestructuring.com, and the website that our claims agent, Prime Clerk, is maintaining at <https://cases.primeclerk.com/bonton>.