COMPENSATION OF EXECUTIVE OFFICERS

Our Named Executive Officers

For purposes of our executive compensation disclosures, the individuals listed below are referred to collectively as our named executive officers ("NEOs") for fiscal 2023.

- Sigurdur O. Olafsson, President, Chief Executive Officer and Director
- Bryan M. Reasons, Executive Vice President and Chief Financial Officer
- Peter C. Richardson, Executive Vice President, Chief Scientific Officer

Dr. Richardson was an NEO for fiscal 2023 as a result of his Inducement Grant provided in connection with his commencement of employment with the Company in 2023. For further information on the Inducement Grant, see the section entitled "— 2023 Awards — Inducement Grant" below.

Compensation Decision-Making

Role of the HRCC and Management

Leading up to fiscal 2023, in September and December of 2022, and in February 2023, the HRCC reviewed our key executive compensation policies, practices and plans to determine whether they were consistent with our compensation philosophy and objectives, and whether they needed to be modified in light of changes in our business or the market. The overall value of compensation was compared to market data on compensation opportunities at pharmaceutical industry and peer companies to ensure that our executive pay programs are positioned competitively. The HRCC and the Board considered the mix of variable and fixed compensation when determining base salary and short- and long-term incentives with an emphasis on variable compensation rather than fixed compensation. Our CEO made recommendations to the HRCC regarding salary adjustments and the setting of incentive targets and awards for the executives (other than himself) and the HRCC approved the fiscal 2023 executive compensation programs. The HRCC reported to the Board on compensation paid to the executives and made recommendations to the Board regarding CEO compensation. The Board approved the CEO compensation.

The fiscal 2023 executive compensation program, when originally approved on February 14, 2023, included base salary, a 2023 Short-Term Incentive Plan ("2023 STIP") and a 2023 Long-Term Incentive Plan ("2023 LTIP"). In connection with the 2023 Bankruptcy Proceedings, on June 14, 2023, upon the recommendation of the independent directors of the Board, the Board approved the 2023 Key Employee Incentive Plan ("2023 KEIP") and the 2023 Key Employee Retention Program ("2023 KERP").

The 2023 KEIP was implemented in the time leading up to the 2023 Bankruptcy Proceedings to replace the 2023 STIP and the 2023 LTIP for the participants in the 2023 KEIP. The 2023 KERP was implemented at the same time as the 2023 KEIP in order to provide a retention program for key officers who were participants in the program. Mr. Olafsson elected not to participate in the 2023 KEIP or the 2023 KERP and instead continued his participation in the 2023 STIP and the 2023 LTIP. Additional details of the 2023 STIP, 2023 LTIP, 2023 KEIP and 2023 KERP can be found in the section entitled "Narrative to Summary Compensation Table".

Role of the Compensation Consultant

The HRCC utilizes the services of independent compensation consultants from time to time and has the sole authority to retain, compensate and terminate any such compensation consultants. During fiscal 2023, LB&Co. served as the independent compensation consultant to the HRCC. LB&Co. reported directly to the HRCC, and within its scope of services, LB&Co. reviewed HRCC materials, attended all HRCC meetings, reviewed our peer group (a group of companies reasonably similar to us in size that may be in competition with us for executive talent) and competitive positioning of individual executives versus market, advised the HRCC on program design, provided advice to the HRCC as compensation issues arose and provided recommendations on certain specific aspects of our compensation programs. In connection with setting fiscal 2023 compensation, the HRCC assessed the independence of LB&Co. and determined that LB&Co. was independent and that no conflicts of interest existed.

Summary Compensation Table

The information presented in the Summary Compensation Table reflects compensation for our NEOs for fiscal 2023. However, the impact of the 2023 Bankruptcy Proceedings on equity compensation is not reflected in the Summary Compensation Table. In connection with Emergence from the 2023 Bankruptcy Proceedings on November 14, 2023, each existing equity interest in Mallinckrodt, including our ordinary shares and existing equity-based awards, was cancelled and extinguished. Accordingly, our NEOs did not receive any value for their equity interests in Mallinckrodt.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)(3)	All Other Compensation ($)(4)	Total ($)
Siggi Olafsson President and Chief Executive Officer	2023	1,100,000	—	10,000,012	—	2,750,000	239,744	14,089,756
	2022	571,154	—	4,580,263	—	1,225,982	54,342	6,431,741
Bryan Reasons Executive Vice President & Chief Financial Officer	2023	630,000	945,000	2,500,016	—	2,613,563	152,185	6,840,764
	2022	611,308	150,000	2,290,137	—	651,105	114,449	3,816,999
Peter Richardson Executive Vice President and Chief Scientific Officer	2023	557,308	862,500	2,956,171	—	2,014,567	88,196	6,478,742

(1) The amount reported in 2022 for Mr. Reasons represents a cash retention award earned in 2022 contingent upon remaining continuously employed with the Company through the 90-day anniversary of emergence from the 2020 Bankruptcy Proceedings. The amounts reported in 2023 for Mr. Reasons and Dr. Richardson represent a cash retention award earned and paid in 2023 pursuant to the 2023 KERP contingent upon remaining continuously employed with the Company through June 14, 2024, or, if earlier, the date the Company emerged from the 2023 Bankruptcy Proceedings.

(2) The amounts reported represent the aggregate grant date fair value, computed in accordance with ASC 718, of RSUs and PSUs awards granted during fiscal 2023 to Mr. Olafsson, Mr. Reasons, and Dr. Richardson. For PSUs, the values shown reflect the grant date fair value based on the probable outcome of the performance conditions. If the highest level of achievement of the performance conditions were assumed, the value of the PSUs at the grant date for the NEOs for fiscal 2023 and 2022, respectively, would be $10,000,017 and $4,884,863 for Mr. Olafsson, $2,500,031 and $2,442,442 for Mr. Reasons, and $2,849,920 for Dr. Richardson. Further information regarding the equity awards granted in fiscal 2023 are included in the "Narrative to Summary Compensation Table — 2023 Grants" below. For additional information relating to assumptions made in the valuation for fiscal 2023 awards reflected in these columns, see Note 16 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 29, 2023.

(3) The amounts reported for fiscal 2023 represent incentive cash awards paid to Mr. Olafsson under our 2023 STIP and incentive cash awards paid to Mr. Reasons and Dr. Richardson under our 2023 KEIP. For information regarding the calculation of these awards, see the section entitled "— Narrative to Summary Compensation Table."

(4) The amounts reported represent the aggregate dollar amount for each NEO for employer contributions to the Retirement Savings Plan, employer credits to the Supplemental Savings Plan, financial planning services, long term disability insurance payments and subscription for data scrub services. The table below provides further detail on the amounts included in the All Other Compensation column of the Summary Compensation Table for fiscal 2023.

Name	Contributions to Retirement Savings Plan ($)	Credits to Supplemental Savings Plan ($)	Other ($)	Total ($)
Siggi Olafsson	21,150	202,259	16,335	239,744
Bryan Reasons	21,150	131,035	—	152,185
Peter Richardson	19,520	68,675	—	88,196

Narrative to Summary Compensation Table

Fiscal 2023 STIP Award

In connection with the 2023 Bankruptcy Proceedings, on June 14, 2023, we implemented the 2023 KEIP and the 2023 KERP. Mr. Olafsson elected not to participate in either of these programs and instead continued his participation in the 2023 STIP and the 2023 LTIP. Mr. Olafsson's target bonus for fiscal 2023 was based on his 2023 STIP target bonus only and did not include a long-term incentive equivalent percentage like the 2023 KEIP, as further discussed below. The table below shows the target award opportunity for Mr. Olafsson as a percentage of his base salary under the 2023 STIP.

2023 Short-Term Incentive Plan Target as a % of Salary

Sigurdur O. Olafsson	135%

The 2023 STIP provided Mr. Olafsson with the opportunity to receive an incentive payment determined by multiplying his incentive target percentage by the Company's achievement against pre-determined financial performance targets and then by an individual performance modifier. The Company performance targets were designed to be achieved in a range from 0% (achievement at less than threshold) to 200% (achievement at maximum or above) of target based upon our performance, subject to an individual performance modifier that could also be applied, with a cap of 250% of base salary on the total target opportunity as set by Mr. Olafsson's employment agreement. The following illustrates the formula for the STIP:

Individual Incentive Target	×	Company Achievement Against Financial Performance Targets	×	Individual Performance Multiplier	=	Final Fiscal 2023 STIP Bonus Amount to Individual Executive

2023 STIP Performance Periods and Measures. The 2023 STIP consisted of two standalone performance periods: the First Half (50% of award) and the Second Half (50% of award). The performance measures for each period were separately determined and were based for each period on Adjusted EBITDA and Adjusted Free Cash Flow (each as defined below), weighted 50% and 50%, respectively. These performance measures were set in relation to our annual budget for the enterprise as approved by the Board.

"Adjusted EBITDA" means net income or loss before interest, income taxes, depreciation and amortization adjusted to exclude the following items: share-based compensation (settled in either stock or cash); the impact of acquisitions and divestitures; any significant unbudgeted foreign exchange (gain)/ loss occurring in selling, general and administrative expenses; any 2023 KERP related expenses; any 2023 KEIP related expenses in excess of budgeted annual incentive plan amounts; any restructuring related expenses in or out of court; and any unusual or nonrecurring items approved by the HRCC or the Board.

"Adjusted Free Cash Flow" means net cash from operating activities minus capital expenditures and excluded the following items: any payments related to the Company's emergence from bankruptcy (examples would include opioid defense costs, legal and advisory fees, trust administration costs, etc.); CARES Act refund(s); any 2023 KERP or 2023 KEIP related payments in excess of budgeted annual incentive plan amounts; any restructuring related expenses in or out of court; opioid and Department of Justice ("DOJ") and Centers for Medicare & Medicaid Services ("CMS") settlements; the impact of acquisitions and divestitures; and any unusual or nonrecurring items approved by the HRCC or the Board.

The weighted average funding for the 2023 STIP was designed to range from 0% to 200% of target based upon our performance against the two measures. The following chart summarizes the 2023 STIP design with respect to the Company performance measures, including the relative weighting, performance targets, actual results and weighted average funding for the First Half and Second Half performance periods.

Fiscal 2023 First Half STIP Company Performance Measures

Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Fiscal 2023 Results	Weighted Average Funding
Adjusted EBITDA(1)	50%	$224	$263	$302	$276	58%
Adjusted Free Cash Flow(1)	50%	$ (7)	$ 3	$ 13	$ 11	71%
						130%

(1) In millions. Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP financial measures that are used for compensation purposes and are described on page 25 above.

Fiscal 2023 Second Half STIP Company Performance Measures

Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (200% Payout)	Fiscal 2023 Results	Weighted Average Funding
Adjusted EBITDA(1)	50%	$261	$307	$353	$325	60%
Adjusted Free Cash Flow(1)	50%	$ 17	$ 27	$ 37	$118	75%
						135%

(1) In millions.

The following charts show the HRCC approved financial multiplier and individual performance modifier for the First Half payment and the Second Half payment for Mr. Olafsson. In determining Mr. Olafsson's individual performance modifier, the HRCC considered Mr. Olafsson's contributions, including the following: successfully entering into a pre-packed Chapter 11 process and emerging within a condensed period of time; exceeding the high end of the guidance range on annual net sales and Adjusted EBITDA; the successful launch of Terlivaz; FDA clearance of Inomax with anticipated rollout in 2024; FDA acceptance of the Supplementary New Drug Application for the Acthar Gel Single-Dose Pre-filled SelfJect™ Injector; and three successful product launches within our Specialty Generics business (generic Mydayis, generic Vyvanse Capsules, and Morphine Sulfate tablets).

Fiscal 2023 First Half STIP Bonus Payout

	Target Performance Multiplier				Individual Modifier				
	Target Bonus Opportunity	x	Multiplier	=	Preliminary Payout	X	Individual Performance Modifier(1)	=	Final 2023 STIP Payout
Mr. Olafsson	$742,500	x	130%	x	$965,250	X	148.1%	=	$1,430,000

(1) Individual performance modifier is rounded.

Fiscal 2023 Second Half STIP Bonus Payout

	Target Performance Multiplier				Individual Modifier				
	Target Bonus Opportunity	x	Multiplier	=	Preliminary Payout	X	Individual Performance Modifier(1)	=	Final 2023 STIP Payout
Mr. Olafsson	$742,500	x	135%	x	$1,002,375	X	131.7%	=	$1,320,000

(1) Individual performance modifier is rounded.

Fiscal 2023 KEIP Awards

The 2023 KEIP was implemented in the time leading up to the 2023 Bankruptcy Proceedings to replace the 2023 STIP and the 2023 LTIP for the participants in the 2023 KEIP. The HRCC established the same performance periods (First Half and Second Half) and measures (Adjusted EBITDA and Adjusted Free Cash Flow) for the 2023 KEIP as the 2023 STIP. Unlike the 2023 STIP, each of Mr. Reasons' and Dr. Richardson's KEIP target awards equaled the sum of 100% of his 2023 STIP target bonus and 60% of his 2023 LTIP award value.

The 2023 KEIP provided an opportunity for Mr. Reasons and Dr. Richardson to receive an incentive payment determined by multiplying each executive's 2023 KEIP incentive target percentage by the Company's achievement against pre-determined financial performance targets. The Company performance targets were designed to be achieved in a range from 0% (achievement at less than threshold) to 150% (achievement at maximum or above) of target based upon Company performance. The table below shows the full year target award opportunity for Mr. Reasons and Dr. Richardson.

2023 Full Year Target KEIP Opportunity

Mr. Reasons	$1,972,500
Dr. Richardson	$1,571,250

Performance Periods and Measures. The 2023 KEIP consisted of two standalone performance periods: the First Half (50% of award) and the Second Half (50% of award). The performance measures for each period were separately determined and were based for each period on Adjusted EBITDA and Adjusted Free Cash Flow, weighted 50% and 50%, respectively. These performance measures were set in relation to our annual budget for the enterprise as approved by the Board.

The weighted average funding for the 2023 KEIP was designed to range from 0% to 150% of target based upon our performance against the two measures. The following chart summarizes the 2023 KEIP design with respect to the Company performance measures, including the relative weighting, performance targets, actual results and weighted average funding for the First Half and Second Half performance periods.

Fiscal 2023 First Half KEIP Company Performance Measures

Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (150% Payout)	Fiscal 2023 Results	Weighted Average Funding
Adjusted EBITDA(1)	50%	$224	$263	$302	$276	58%
Adjusted Free Cash Flow(1)	50%	$ (7)	$ 3	$ 13	$ 11	71%
						130%

(1) In millions. Adjusted EBITDA and Adjusted Free Cash Flow are considered non-GAAP financial measures that are used for compensation purposes and are described on page 25 above.

Fiscal 2023 Second Half KEIP Company Performance Measures

Measure	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (150% Payout)	Fiscal 2023 Results	Weighted Average Funding
Adjusted EBITDA(1)	50%	$261	$307	$353	$325	60%
Adjusted Free Cash Flow(1)	50%	$ 17	$ 27	$ 37	$118	75%
						135%

(1) In millions.

The following charts show the HRCC approved multiplier for the First Half and Second Half payment for each of Mr. Reasons and Dr. Richardson. The 2023 KEIP did not include an individual performance modifier, unlike the 2023 STIP.

	Target Performance Multiplier				Payout
	First Half Target KEIP Opportunity	x	Multiplier	=	First Half KEIP
Mr. Reasons	$986,250	x	130%		$1,282,125
Dr. Richardson[(1)]	$733,826	x	130%		$ 953,973

(1) Prorated based on hire date.

	Target Performance Multiplier				Payout
	Second Half Target KEIP Opportunity	x	Multiplier	=	Second Half KEIP
Mr. Reasons	$986,250	x	135%		$1,331,438
Dr. Richardson	$785,625	x	135%		$1,060,594

2023 Grants

Annual Grants

On April 3, 2023, our NEOs were granted a 2023 annual equity award, which we refer to as the 2023 LTIP, under the Mallinckrodt Pharmaceuticals 2022 Stock and Incentive Plan (“2022 Plan”), and which consisted of a mix of PSUs (weighted 50%) and RSUs (weighted 50%). The table below sets forth the 2023 annual grant with respect to long-term incentive compensation. Mr. Reasons’ and Dr. Richardson’s 2023 LTIP awards were canceled at the time the 2023 KEIP was implemented. Mr. Olafsson elected not to participate in the 2023 KEIP or the 2023 KERP and instead continued his participation in the 2023 STIP and the 2023 LTIP.

Name	Annual Grant (#)	Target Number of PSUs (#)	Number of RSUs (#)
Sigurdur O. Olafsson	1,204,479	531,531	672,948
Bryan Reasons	301,121	132,884	168,237
Peter Richardson	228,853	100,992	127,861

PSUs. PSUs represented unissued ordinary shares; no ordinary shares were to be issued until the applicable vesting requirements had been satisfied with the Company having the discretion to settle in shares or cash. The PSUs were based upon Adjusted Operating Cash Flow (as defined below) and Relative TSR (as defined below) targets, each weighted at 50%, over a performance period of fiscal year 2023 through fiscal year 2025 (December 31, 2022 through December 26, 2025).

“Adjusted Operating Cash Flow” means net cash from operating activities of continuing operations for the performance cycle, excluding the following items: payments related to the Company’s emergence from bankruptcy (examples would include opioid defense costs, legal and advisory fees, trust administration costs, etc.); CARES Act refunds; interest payments; opioid and DOJ and CMS settlements; the impact of acquisitions and divestitures; and any unusual or nonrecurring items approved by the HRCC or the Board.

“Relative TSR” means our total shareholder return as compared to the Russell 2000 Biotechnology Subsector index. This group of companies was broader than the peer group of companies used for competitive comparisons of executive compensation, and it included some companies that are much larger or smaller than Mallinckrodt. The multiplier used to determine the number of earned PSUs could be between a threshold of 50% and a maximum of 200%, with threshold achievement corresponding to a Relative TSR level at the 25th percentile (below which no PSUs are earned) and maximum achievement corresponding to a Relative TSR level at the 75th percentile.

RSUs. RSUs represented unissued ordinary shares; no ordinary shares were to be issued until the applicable vesting requirements had been satisfied with Company discretion to settle in shares or cash. When the vesting requirements were satisfied, the executive was to receive ordinary shares without restriction or cash. RSUs granted to NEOs during fiscal 2023 were to vest one-third annually beginning on the first anniversary of the grant date.

Inducement Grant

In connection with Dr. Richardson's commencement of employment with the Company, he received an inducement grant ("Inducement Grant") consisting of a mix of PSUs (weighted 50%) and RSUs (weighted 50%). The table below sets forth the Inducement Grant with respect to long-term incentive compensation.

Name	Inducement Grant (#)	Target Number of PSUs (#)	Number of RSUs (#)
Peter Richardson	150,182	75,091	75,091

PSUs. The vesting requirements for Dr. Richardson's PSUs were based upon Adjusted Operating Cash Flow and Relative TSR targets, each weighted at 50%, over a performance period of the second half of fiscal 2022 to fiscal year end 2024 (July 2, 2022 through December 27, 2024). This reflected the same time period and targets that were used for the then-serving executives who had been granted initial awards in December 2022.

RSUs. The RSUs included in Dr. Richardson's Inducement Grant were set to vest one-third annually beginning on the first anniversary of his hire date with the Company in 2023.

2023 KERP Awards

In June 2023, the Board approved the 2023 KERP for specified employees, including Mr. Reasons and Dr. Richardson. Although a retention bonus under the 2023 KERP was offered to Mr. Olafsson, he elected not to participate. The HRCC considered the challenges facing the Company, and both the Board and the HRCC believed it critical to continue to stabilize the executive leadership team and reduce the possibility of turnover during a critical time at the Company. Such turnover would have resulted in the loss of expert knowledge and slowed momentum and could have impaired the Company's ability to continue to navigate the challenges. The HRCC consulted both Willis Towers Watson, the consultant engaged to provide advice to management with respect to certain compensation issues and recommendations in anticipation of filing for the 2023 Bankruptcy Proceedings, and LB&Co., the HRCC's independent compensation consultant, on the plan and approaches utilized by other companies facing similar uncertainties for retention of executives in determining the value of the retention bonuses. The HRCC and the Board approved awards under the 2023 KERP for Mr. Reasons and Dr. Richardson in the following amounts.

Fiscal 2023 KERP Awards	
Mr. Reasons	$945,000
Dr. Richardson	$862,500

These 2023 KERP awards were subject to repayment in the event the award recipient resigned, retired, voluntarily terminated employment or was terminated by the Company for cause prior to June 14, 2024 or, if earlier, the date the Company emerged from the 2023 Bankruptcy Proceedings. The awards ceased to be subject to repayment on November 14, 2023, the date of Emergence from the 2023 Bankruptcy Proceedings.

Other Benefits

We provide NEOs the same benefits that are provided to all employees, including defined contribution retirement benefits and health and welfare benefits. In addition, our NEOs are provided with certain additional benefits, intended to be competitive with the practices of our peer companies.

Retirement Benefits. The NEOs are eligible to participate in our Retirement Savings and Investment Plan (“Mallinckrodt Retirement Savings Plan”), which is our 401(k) plan available to all eligible U.S. employees, and our Supplemental Savings and Retirement Plan (“Mallinckrodt Supplemental Savings Plan”), our non-qualified deferred compensation plan in which executive officers and other senior employees may participate. The Mallinckrodt Supplemental Savings Plan is a so-called “excess” plan that extends the 401(k) benefits beyond the Internal Revenue Code (the “Code”) limitations.

Mallinckrodt Retirement Savings Plan. Under the Mallinckrodt Retirement Savings Plan, we make an automatic contribution of 3% of an employee’s eligible pay, irrespective of whether the employee contributes to such plan. Additionally, we match $0.50 for every dollar employees contribute, up to the first 8% of eligible pay up to the applicable IRS limits ($330,000 for 2023).

Participants are fully vested in Company contributions (including earnings on such contributions) upon the earlier of completion of two years of service or attainment of age 55.

Mallinckrodt Supplemental Savings Plan. Under the Mallinckrodt Supplemental Savings Plan, participants are eligible to receive Company credits of 6% on any cash compensation (i.e., base and bonus) that the participant earns during a calendar year in excess of applicable IRS limits ($330,000 for 2023).

Participants are fully vested in Company credits (including earnings on such credits) upon completion of two years of service. The Mallinckrodt Supplemental Savings Plan is a non-qualified deferred compensation plan that is maintained as an unfunded “top-hat” plan and is designed to comply with Section 409A of the Code. Amounts credited to the Mallinckrodt Supplemental Savings Plan as Company credits may also be credited with earnings (or losses) based upon investment selections made by each participant from investments that generally mirror investments offered under the Mallinckrodt Retirement Savings Plan. Participants may elect whether they will receive a distribution of their Mallinckrodt Supplemental Savings Plan account balances upon termination of employment or at a specified date. Distributions can be made in a lump sum or in up to 15 annual installments.

Employment Agreements

Employment Agreement with Mr. Olafsson

Upon our Emergence from the 2020 Bankruptcy Proceedings on June 16, 2022, we entered into an employment agreement (as subsequently amended and restated, the “Prior CEO Agreement”) with Mr. Olafsson, pursuant to which Mr. Olafsson commenced service as our CEO effective as of June 25, 2022 (the “Start Date”), for an indefinite term.

Pursuant to the Prior CEO Agreement, Mr. Olafsson received an annual base salary of $1,100,000. Mr. Olafsson was also eligible to receive a performance-based annual bonus with a target amount of 135% of base salary and a maximum amount of 250% of base salary. In addition, the Prior CEO Agreement provided that on or within 30 calendar days following the Start Date, Mr. Olafsson would be granted a one-time equity award, and beginning in fiscal 2023, and for each subsequent fiscal year, Mr. Olafsson would be eligible to receive equity awards (the “Annual Grant”). The Prior CEO Agreement provided that target value for the Annual Grant in respect of fiscal 2023 was to be not less than $4,000,000.

The Prior CEO Agreement provided that Mr. Olafsson would be restricted from competing with us and from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason. In June 2023, the Prior CEO Agreement was further amended to provide that in the event of a severance-qualifying termination, the non-competition covenant in the Prior CEO Agreement would apply only if the applicable severance benefits were paid in full (the “CEO Severance Amendment”).

On February 2, 2024, we entered into a new employment agreement with Mr. Olafsson (the “New CEO Agreement”), which superseded the Prior CEO Agreement. For additional information, see our Current Report on Form 8-K filed February 2, 2024, which includes a summary of the material terms of the New CEO Agreement.

For information on termination benefits under both the Prior CEO Agreement and the New CEO Agreement, see "— Potential Payments Upon Termination" below.

Employment Agreements with Other NEOs

Following Emergence from the 2023 Bankruptcy Proceedings, we entered into amended and restated employment agreements with our NEOs, as further described below.

Employment Agreement with Mr. Reasons

We entered into an employment agreement (as subsequently amended and restated, the "Prior CFO Agreement") with Mr. Reasons on August 17, 2022. Pursuant to the Prior CFO Agreement, Mr. Reasons received an annual base salary of $630,000. Mr. Reasons was also eligible to receive a performance-based annual bonus with a target amount of 75% of base salary and a maximum amount of 150% of base salary. In addition, the Prior CFO Agreement provided that as soon as reasonably practicable following the effective date of the Prior CFO Agreement, Mr. Reasons would be granted a one-time equity award, and beginning in fiscal 2023, and for each subsequent fiscal year, Mr. Reasons would be eligible to receive equity awards under our equity compensation plans.

The Prior CFO Agreement provided that Mr. Reasons would be restricted from competing with us and from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason. In June 2023, the Prior CFO Agreement was further amended to provide that in the event of a severance-qualifying termination, the non-competition covenant in the Prior CFO Agreement would apply only if the applicable severance benefits were paid in full.

On February 2, 2024, we amended and restated the Prior CFO Agreement (as so amended and restated, the "New CFO Agreement"). The New CFO Agreement is substantially similar to the Prior CFO Agreement, except that the New CFO Agreement provides that Mr. Reasons will participate in the 2024 Plan and the Transaction Incentive Plan, and contains certain changes discussed below under "— Potential Payments Upon Termination."

Employment Agreement with Dr. Richardson

We entered into an employment agreement (the "Prior CSO Agreement") with Dr. Richardson on January 12, 2023. Pursuant to the Prior CSO Agreement, Dr. Richardson received an annual base salary of $575,000. Dr. Richardson was also eligible to receive a performance-based annual bonus with a target amount of 75% of base salary and a maximum amount of 150% of base salary. In addition, the Prior CSO Agreement provided that as soon as reasonably practicable following the effective date of the Prior CSO Agreement, Dr. Richardson would be granted a one-time equity award, and beginning in fiscal 2023, and for each subsequent fiscal year, Dr. Richardson would be eligible to receive equity awards under our equity compensation plans.

The Prior CSO Agreement provided that Dr. Richardson would be restricted from competing with us and from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason. In June 2023, the Prior CSO Agreement was further amended to provide that in the event of a severance-qualifying termination, the non-competition covenant in the Prior CSO Agreement would apply only if the applicable severance benefits were paid in full.

On February 2, 2024, we amended and restated the Prior CSO Agreement (as so amended and restated, the "New CSO Agreement"). The New CSO Agreement is substantially similar to the Prior CSO Agreement, except that the New CSO Agreement provides that Dr. Richardson will participate in the 2024 Plan and the Transaction Incentive Plan and contains certain changes discussed below under "— Potential Payments Upon Termination."

Outstanding Equity Awards At Fiscal Year End

On November 14, 2023, in connection with our Emergence from the 2023 Bankruptcy Proceedings and the cancellation of all of our then-existing ordinary shares, all outstanding equity-based awards under the 2022 Plan were automatically cancelled without consideration and the 2022 Plan was of no further force and effect with respect to any equity-based awards thereunder. As a result, there were no outstanding equity awards at 2023 fiscal year end.

Anti-Hedging/Anti-Pledging Policy

Our Insider Trading Policy prohibits directors, officers and employees from entering into or trading in puts, calls, cashless collars, options or similar rights and obligations or any other hedging activity involving our securities, other than the exercise of a Company-issued stock option.

Our policy also prohibits directors, officers and employees from purchasing our securities on margin, borrowing against our securities held in a margin account or pledging our securities as collateral for a loan. However, an exception may be granted by our Chief Legal Officer if the individual clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities.

Executive Financial Recoupment Program ("Clawback")

Since the Company's separation from Covidien plc in 2013, the Corporate Governance Guidelines have mandated that the Company have a Board-approved policy for recoupment of incentive compensation. This policy was originally implemented by the Board in 2014 and was most recently amended in 2022 in connection with the Company's corporate integrity agreement entered into with the Office of Inspector General of the Department of Health and Human Services. Mallinckrodt's policy states that in the event of an accounting restatement resulting from material non-compliance with financial reporting requirements under applicable law, the Board or, if so designated by the Board, the HRCC, is authorized to recover any incentive compensation that was overpaid taking into account such factors as the Board or the HRCC deems appropriate. In addition, Mallinckrodt's policy states that in the event of certain events of significant misconduct, including a violation of law or regulation or a significant violation of a Company policy, to the extent permitted by law, the Company must seek to recoup cash awards and all or a portion of the cash awards or the realized value of equity awards for the three year period prior to the recoupment determination.

Under Mallinckrodt's policy, the Company agreed to disclose annually whether, at any time during the last completed fiscal year, the Board required recoupment or forfeiture of any incentive compensation received by certain employees, including NEOs, (1) if required by law, and (2) if not required by law, so long as the disclosure (a) would not violate any individual's privacy rights, (b) is not likely to result in or exacerbate any existing or threatened employee, shareholder or other litigation, arbitration, investigation or proceeding against the Company and (c) is not otherwise prohibited. Subject to the exceptions described in the previous sentence, if any such recoupment or forfeiture under the policy occurred, we are required to disclose the general circumstances of the recoupment and/or forfeiture, and if no such recoupment or forfeiture occurred during the last completed fiscal year, we are required to disclose that no such event occurred.

In 2023, there was no recoupment or forfeiture applied to the incentive compensation of any executive of the Company.

2023 Say-on-Pay Vote

We consider the views of our shareholders in designing our executive compensation program and value feedback on our compensation practices. At our 2023 Annual Meeting of Shareholders, approximately 91% of the votes cast on our annual advisory vote on the compensation of our NEOs were in favor of this proposal. We believe that the level of support received for this proposal affirms our approach to executive compensation. See page 51 for this year's say-on-pay proposal.

Potential Payments upon Termination

Mr. Olafsson's Severance

Under the Prior CEO Agreement, in the event that Mr. Olafsson's employment was terminated by the Company without Cause or by Mr. Olafsson with Good Reason (each as defined below), Mr. Olafsson was entitled to the following severance compensation and benefits: (a) an amount equal to 2x the sum of his annual base salary and target annual bonus payable in installments; (b) a lump sum payment of a prorated target annual bonus with respect to the year in which the termination occurred; (c) our payment of Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") premiums for 18 months or until he became eligible for comparable benefits through a new employment; (d) accelerated vesting of outstanding equity awards by an additional 12 months following the termination, subject to certain exceptions; and (e) our coverage of the cost of outplacement services for up to 12 months.

Under the New CEO Agreement, in the event that Mr. Olafsson's employment is terminated by the Company without Cause or by Mr. Olafsson with Good Reason, Mr. Olafsson will be entitled to the following severance compensation and benefits: (a) an amount equal to 2x the sum of his annual base salary and target annual bonus payable in installments; (b) a lump sum payment of a prorated target annual bonus with respect to the year in which the termination occurs; (c) our payment of COBRA premiums for 18 months or until he becomes eligible for comparable benefits through a new employment; and (d) our coverage of the cost of outplacement services for up to 12 months.

Under both the Prior CEO Agreement and the New CEO Agreement, in the event that Mr. Olafsson's employment is terminated by the Company without Cause or by Mr. Olafsson with Good Reason during the period beginning 120 days prior to and ending 24 months after a Change in Control (as defined in each agreement), Mr. Olafsson will receive the applicable foregoing severance benefits with the following enhancements: the base salary and bonus severance will be a lump sum payment of 2.5 times the sum of his annual base salary and target annual bonus, and all of Mr. Olafsson's unvested and outstanding RSUs, PSUs and other equity-based awards will immediately vest as of the effective date of the release or the Change in Control, if later.

The terms of both the Prior CEO Agreement and the New CEO Agreement provide for certain benefits upon Mr. Olafsson's termination of employment due to death, disability or retirement. For this purpose, normal retirement occurs where Mr. Olafsson terminates employment after attaining age 60 and the sum of his age and years of service equals at least 70; provided that when Mr. Olafsson attains age 60, he will be credited by the Company with an additional four years of service for purposes of meeting this requirement. Mr. Olafsson is eligible to receive a prorated target bonus upon a termination of employment as a result of his death or disability and, except upon termination of his employment by the Company for Cause, any unpaid annual bonus earned in a prior calendar year, based on the actual level of achievement of the applicable targets or performance as determined by the HRCC at the end of such calendar year.

For purposes of both the Prior CEO Agreement and the New CEO Agreement, "Cause" means, as more fully described in such agreements, (i) substantial refusal of the CEO to perform the duties and responsibilities of his job as required by the Board other than due to incapacity; (ii) a material violation of any fiduciary duty or duty of loyalty owed to us; (iii) conviction of misdemeanor (other than a traffic offense) involving moral turpitude or felony; (iv) any willful act or omission of fraud, embezzlement or theft; (v) any uncured violation of a material rule or policy; or (vi) any unauthorized disclosure of any of our trade secrets or confidential information.

For purposes of both the Prior CEO Agreement and the New CEO Agreement, "Good Reason" means, as more fully described in such agreements, a retirement or termination of employment by the CEO that is not initiated by the Company and that is caused by any one or more of the following events, in each case, without the CEO's written consent: (i) a material reduction in his base salary or Target Bonus (as defined in the New CEO Agreement) opportunity; (ii) a material diminution in his title or authority, duties, reporting lines or responsibilities; (iii) a relocation of his principal place of employment by more than 50 miles; (iv) the CEO does not timely receive certain equity grants or awards specified in the New CEO Agreement; (v) failure of a successor to the Company to agree to assume and honor the agreement; or (vi) any other material breach of the agreement or any material compensation agreement by the Company or its affiliates. Additionally, "Good Reason" will only exist if the CEO provides written notice stating the Good Reason event, we do not cure such event, and the CEO terminates employment within a certain period of time after the end of the cure period.

All of the foregoing severance compensation and benefits are subject to Mr. Olafsson's execution and nonrevocation of a general release of claims against us and his continued compliance with restrictive covenants as described below.

The Prior CEO Agreement provided that Mr. Olafsson would be restricted from competing with us and from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason. The New CEO Agreement provides that Mr. Olafsson will be restricted from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason (the "Restricted Period"). The New CEO Agreement also provides that Mr. Olafsson will be restricted from competing with us during the Restricted Period; provided that the Restricted Period will be reduced to six months for terminations that occur between January 1, 2025 and December 31, 2025, and shall not apply following Mr. Olafsson's termination of employment if the date of termination is on or after January 1, 2026 or if Mr. Olafsson's employment is terminated by the Company without Cause or by Mr. Olafsson with Good Reason.

As further described in our Current Report on Form 8-K filed February 2, 2024, we granted certain post-emergence equity awards to Mr. Olafsson, which are subject to the 2024 Plan and individual written award agreements. Such equity award agreements provide that, in the event of Mr. Olafsson's termination of service as a result of death, disability or Normal Retirement, or by us without Cause or by Mr. Olafsson for Good Reason (each as defined in the 2024 Plan) other than in connection with a Change in Control (as defined in the 2024 Plan), Mr. Olafsson's unvested RSUs will vest in full and Mr. Olafsson's unvested PSUs will remain outstanding and will be eligible to vest and be settled based on our achievement of the performance targets, subject, in the case of Mr. Olafsson's termination of employment without Cause or for Good Reason, to Mr. Olafsson signing and not revoking a release of claims. In the event of a termination by us without Cause or by Mr. Olafsson for Good Reason in connection with a Change in Control, awards will become fully vested and payable, subject to the Realized Value PSUs, which will be subject to achieving the relevant performance targets.

Mr. Reasons' and Dr. Richardson's Severance

Under each of the Prior CFO Agreement and the New CFO Agreement, in the event that Mr. Reasons' employment is terminated by the Company without Cause or by Mr. Reasons with Good Reason (each as defined below), Mr. Reasons is entitled to the following severance compensation and benefits: (a) an amount equal to 1.5x the sum of his annual base salary and target annual bonus payable in installments; (b) a lump sum payment of a prorated target annual bonus with respect to the year in which the termination occurred; (c) a lump sum payment equal to 12 months of COBRA premiums that would have been payable by Mr. Reasons if he had elected to continue coverage under the Company's health and welfare plans; and (d) our coverage of the cost of outplacement services for up to 12 months.

Under each of the Prior CSO Agreement and the New CSO Agreement, in the event that Dr. Richardson's employment is terminated by the Company without Cause or by Dr. Richardson with Good Reason, Dr. Richardson is entitled to the following severance compensation and benefits: (a) an amount equal to 1x (under the Prior CSO Agreement) and 1.5x (under the New CSO Agreement) the sum of his annual base salary and target annual bonus payable in installments; (b) a lump sum payment of a prorated target annual bonus with respect to the year in which the termination occurred; (c) a lump sum payment equal to 12 months of COBRA premiums that would have been payable by Dr. Richardson if he had elected to continue coverage under the Company's health and welfare plans; and (d) our coverage of the cost of outplacement services for up to 12 months.

Under each of the Prior CFO Agreement and the Prior CSO Agreement and the New CFO Agreement and the New CSO Agreement, in the event that the NEO's employment is terminated by the Company without Cause or by the NEO with Good Reason during the period beginning 120 days prior to and ending 12 months after a Change in Control (as defined in each of the agreements), the NEO will receive the foregoing severance benefits with the following enhancements: cash severance will be paid in lump sum on the first payroll date following the effective date of the release or the Change in Control, if later, and all of the NEO's unvested and outstanding RSUs, PSUs and other equity-based awards will immediately vest as of the effective date of the release or the Change in Control, if later.

The terms of each of the Prior CFO Agreement and the Prior CSO Agreement and the New CFO Agreement and the New CSO Agreement provide for certain benefits upon the NEO's termination of employment due to death, disability or retirement. For this purpose, normal retirement occurs where an NEO terminates employment after attaining age 60 and the sum of the NEO's age and years of service equals at least 70. NEOs are eligible to receive a prorated target bonus upon a termination of employment as a result of the NEO's death or permanent disability and, except upon termination of the NEO's employment by the Company for Cause, any unpaid annual bonus earned in a prior calendar year, based on the actual level of achievement of the applicable targets or performance as determined by the HRCC at the end of such calendar year.

For purposes of each of the Prior CFO Agreement and the Prior CSO Agreement and the New CFO Agreement and the New CSO Agreement, "Cause" means, as more fully described in such agreements, (i) substantial failure or refusal of the NEO to perform the duties and responsibilities of the NEO's job as required by the Company other than due to permanent disability; (ii) a material violation of any fiduciary duty or duty of loyalty owed to us; (iii) conviction of misdemeanor (other than a traffic offense) or felony; (iv) any acts of fraud, embezzlement or theft against us; (v) violation of a material rule or policy; (vi) unauthorized disclosure of any of our trade secrets or confidential information or (vii) other egregious conduct that has or could have a serious and detrimental impact on us or our employees.

For purposes of each of the Prior CFO Agreement and the Prior CSO Agreement and the New CFO Agreement and the New CSO Agreement, "Good Reason" means, as more fully described in such agreements, a retirement or termination of employment by the NEO that is not initiated by the Company and that is caused by any one or more of the following events, in each case, without the NEO's written consent: (i) the Company requires the NEO to relocate to a principal place of employment more than fifty miles from the NEO's existing place of employment, which materially increases the NEO's commuting time; (ii) the Company materially reduces the NEO's base salary or target annual bonus opportunity, other than a reduction of less than 10% that is made at the same time to the base salary or target annual bonus opportunity, as applicable, of all similarly situated employees; or (iii) a requirement that the NEO report to any other person, position or entity other than the CEO. Additionally, "Good Reason" will only exist if the NEO provides written notice stating the Good Reason event, we do not cure such event, and the NEO terminates employment within a certain period of time after the end of the cure period.

All of the foregoing severance compensation and benefits are subject to the NEO's execution and nonrevocation of a general release of claims against us and his continued compliance with restrictive covenants as described below.

The Prior CFO Agreement and the Prior CSO Agreement provided that Mr. Reasons and Dr. Richardson would each be restricted from competing with us and from soliciting our employees and business partners during the 12-month period following his termination of employment for any reason. The New CFO Agreement and the New CSO Agreement provide that the NEOs are restricted from soliciting our employees and business partners during the 12-month period following termination of employment for any reason (the "Executive Restricted Period"). Under the New CFO Agreement and the New CSO Agreement, the NEOs are also restricted from competing with us during the Executive Restricted Period; provided that the Executive Restricted Period will be reduced to six months for terminations that occur after June 30, 2025 and shall not apply following termination of employment by the Company without Cause or by Mr. Reasons with Good Reason.

We granted certain post-emergence equity awards to Mr. Reasons and Dr. Richardson, which are subject to the 2024 Plan and individual written award agreements and are further described in our Current Report on Form 8-K filed February 2, 2024. Such equity award agreements provide that in the event of the NEO's termination of service by us without Cause or by the NEO for Good Reason (each as defined in the 2024 Plan) other than in connection with a Change in Control (as defined in the 2024 Plan) that occurs before the end of December 25, 2026, the NEO's unvested awards will vest pro-rata based on the date of termination, subject, with respect to PSUs, to achievement of the performance targets. In the event of the NEO's termination of service for Normal Retirement (as defined in the 2024 Plan), death or disability, his unvested RSUs will vest in full and his unvested PSUs will remain outstanding and will be eligible to vest and be settled based on our achievement of the performance targets. In the event of the NEO's termination of service for Early Retirement (as defined in the 2024 Plan), a pro-rata portion of his unvested awards will remain outstanding and will be eligible to vest and be settled based on our achievement of the performance targets. The 2024 Plan further provides that in the event of a Change in Control, awards that are not assumed or substituted will become fully vested and payable, subject, with respect to the PSUs, to achievement of the performance targets.

PAY VERSUS PERFORMANCE

The disclosure included in this section is prescribed by SEC rules and does not necessarily align with how the Company or the HRCC views the link between the Company's performance and its NEO's pay. For a discussion of how the Company views its executive compensation structure, including alignment with Company performance, see the discussion at the beginning of "Compensation of Executive Officers" beginning on page 23.

In accordance with SEC rules, the following table and supporting narrative contain information regarding compensation actually paid ("CAP"). Neither CAP nor the amount reported in the Summary Compensation Table ("SCT") reflect the amount of compensation actually paid, earned or received during the applicable year. Per SEC rules, CAP was calculated by adjusting SCT total compensation values for the applicable year as described in the footnotes to the following table.

The HRCC did not consider the pay versus performance data presented below in making its pay decisions for any of the years shown.

Pay Versus Performance Table

							Value of Initial Fixed $100 Investment Based On:	
Year	SCT Total for CEO #1 ($)(1)	SCT Total for CEO #2 ($)(2)	CAP to CEO #1 ($)(1)	CAP Paid to CEO #2 ($)(2)	Average SCT Total for Other NEOs ($)(3)	Average CAP to Other NEOs ($)(3)	Total Shareholder Return ($)	GAAP Net Loss (millions)
2023	N/A	$14,089,756	N/A	$ 524,667	$6,659,753	$3,028,813	N/A	$(1,670)
2022	$6,626,033	$ 6,431,741	$6,626,033	$5,514,924	$2,854,557	$2,650,330	$ 42(4)	$ (911)
2021	$8,975,983	N/A	$8,978,348	N/A	$3,329,371	$3,327,359	N/A	$ (717)

(1) Mark Trudeau served as our CEO in 2021 and 2022.

(2) Sigurdur O. Olafsson served as our CEO in 2022 and 2023.

(3) Our other NEOs serving in 2021 were Hugh O'Neill and Steven Romano. Our other NEOs serving in 2022 were Mr. Reasons, Mr. O'Neill and Dr. Romano, as well as Mark Tyndall, Stephen Welch and Henriette Nielsen. Our other NEOs serving in 2023 were Mr. Reasons and Dr. Richardson.

(4) Assumes a hypothetical initial investment of $100 in new ordinary shares issued on June 17, 2022. The 2022 TSR covers the period from June 17, 2022 through December 30, 2022, reflecting the portion of fiscal 2022 after the Company's emergence from the 2020 Bankruptcy Proceedings. TSR is not applicable for fiscal 2023 as the Company's stock ceased being traded after Emergence from the 2023 Bankruptcy Proceedings on November 14, 2023.

To calculate CAP for our CEOs and other NEOs, the following adjustments were made to SCT total pay.

	CEO #1 Mr. Trudeau			CEO #2 Mr. Olafsson		
	2021	**2022**	**2023**	**2021**	**2022**	**2023**
SCT Total	$8,975,983	$6,626,033	N/A	N/A	$ 6,431,741	$ 14,089,756
Equity Deductions						
Deduction for amounts reported in the "Stock Awards" column in the SCT for applicable fiscal year	$ 0	$ 0	N/A	N/A	$(4,580,263)	$(10,000,012)
Deduction for amounts reported in the "Option Awards" column in the SCT for applicable fiscal year	$ 0	$ 0	N/A	N/A	$ 0	$ 0
Equity Change in Fair Value						
Year End Fair Value of Current Year Equity Awards	$ 0	$ 0	N/A	N/A	$ 3,663,446	$ 0
Year over Year Change in Fair Value of Outstanding and Unvested Equity Awards	$ 0	$ 0	N/A	N/A	$ 0	$ 0
Year over Year Change in Fair Value of Equity Awards Granted in Prior Year that Vested in the Year	$ 2,365	$ 0	N/A	N/A	$ 0	$ (483,585)
Fair Value as of Vesting Date of Equity Awards Granted and Vested in the year	$ 0	$ 0	N/A	N/A	$ 0	$ 0
Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Year	$ 0	$ 0	N/A	N/A	$ 0	$ (3,081,492)
Average Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value of Total Compensation	$ 0	$ 0	N/A	N/A	$ 0	$ 0
CAP	**$8,978,348**	**$6,626,033**	**N/A**		**$ 5,514,924**	**$ 524,667**

	Average Other NEOs[(1)]		
	2021	**2022**	**2023**
SCT Total	$3,329,371	$ 2,854,557	$ 6,659,753
Equity Deductions			
Deduction for amounts reported in the "Stock Awards" column in the SCT for applicable fiscal year	$ 0	$(1,017,838)	$(2,728,094)
Deduction for amounts reported in the "Option Awards" column in the SCT for applicable fiscal year	$ 0	$ 0	$ 0
Equity Change in Fair Value			
Year End Fair Value of Current Year Equity Awards	$ 0	$ 814,101	$ 0
Year over Year Change in Fair Value of Outstanding and Unvested Equity Awards	$ (3,253)	$ (352)	$ 0
Year over Year Change in Fair Value of Equity Awards Granted in Prior Year that Vested in the Year	$ 1,241	$ (138)	$ (132,472)
Fair Value as of Vesting Date of Equity Awards Granted and Vested in the year	$ 0	$ 0	$ 0
Fair Value at the End of the Prior Year of Equity Awards that Failed to Meet Vesting Conditions in the Year	$ 0	$ 0	$ (770,375)
Average Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value of Total Compensation	$ 0	$ 0	$ 0
CAP	**$3,327,359**	**$ 2,650,330**	**$ 3,028,813**

(1) On November 14, 2023, in connection with our Emergence from the 2023 Bankruptcy Proceedings and the cancellation of all of our then-existing ordinary shares, all outstanding equity-based awards under the 2022 Plan were

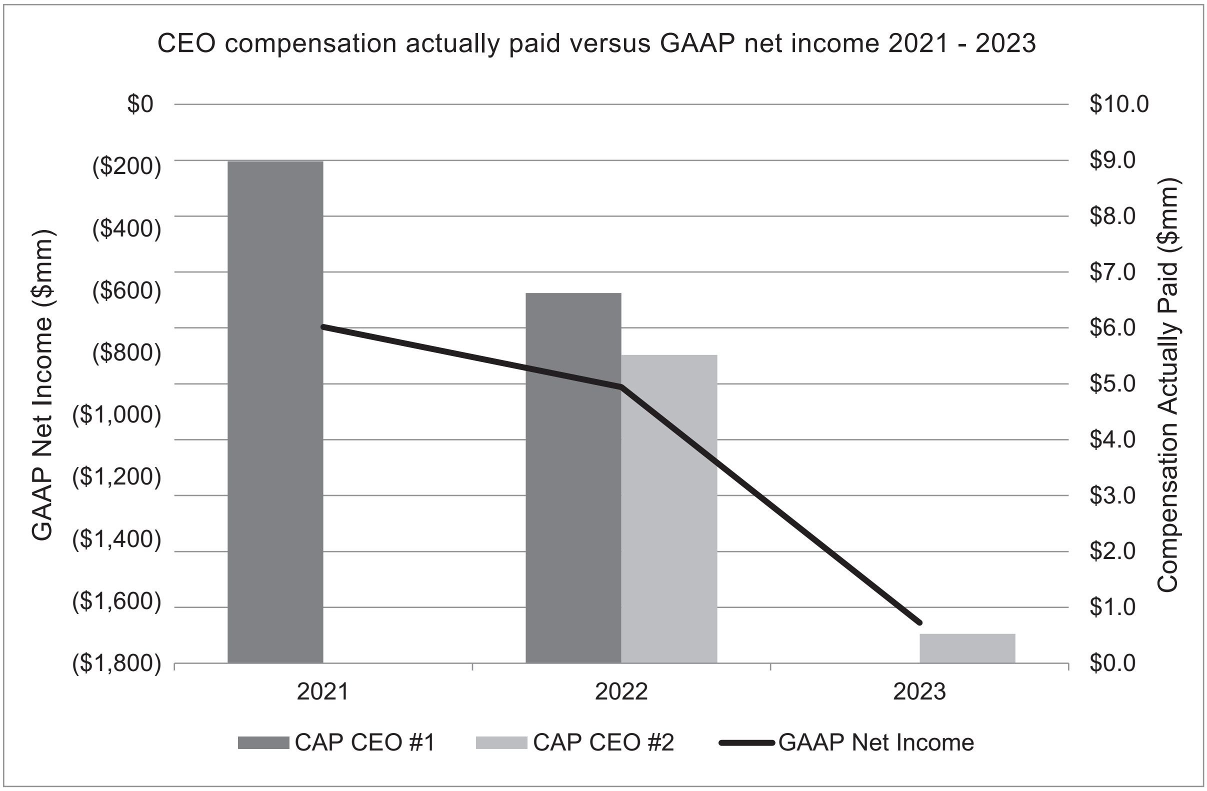
automatically cancelled without consideration and the 2022 Plan was of no further force and effect with respect to any equity-based awards thereunder. As a result, there were no outstanding equity awards at 2023 fiscal year-end.

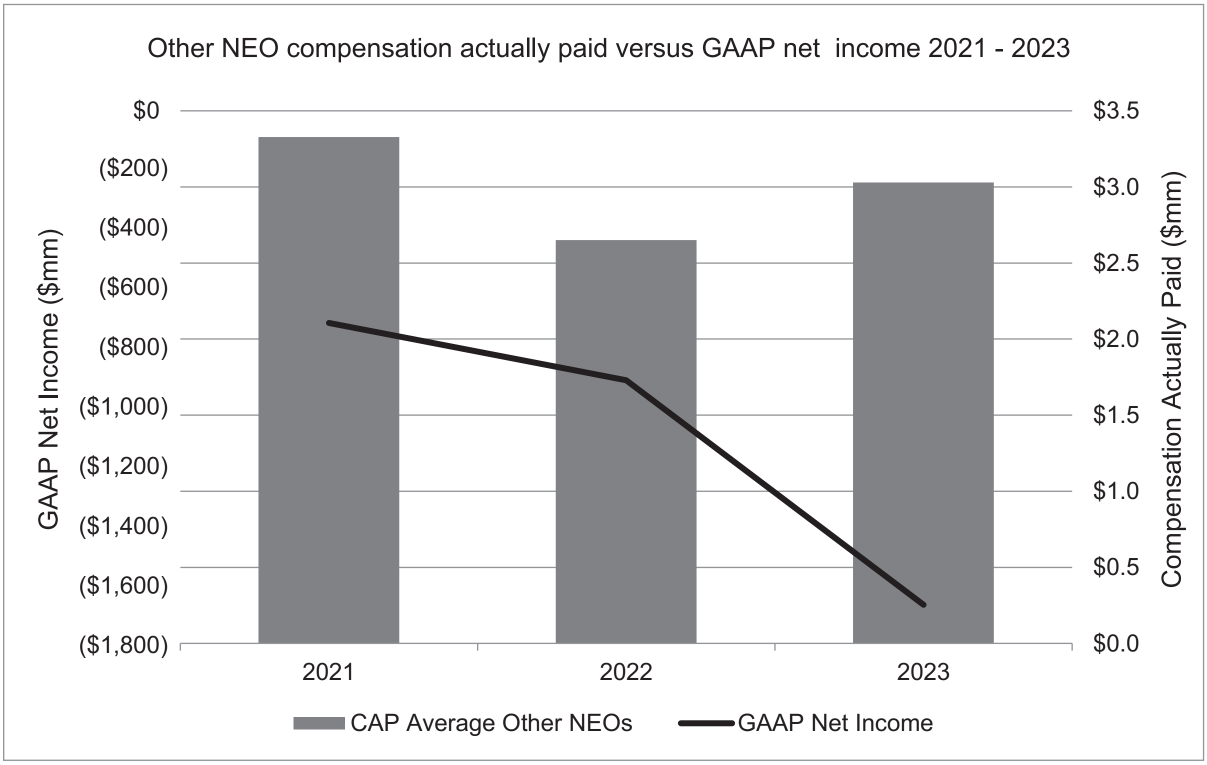
The equity awards included above are comprised of PSUs, RSUs and stock options granted from 2016 through 2023. The following assumptions underpin the fair value calculations.

Fair values for PSUs subject to market-based measures such as Relative TSR have been calculated using a Monte Carlo valuation model. As a result of the cancellation of all of the outstanding PSUs in December 2020 due to none of the performance targets having potential to be met, no valuations were required for the 2021 measurement year. As a result of the cancellation of all of the outstanding PSUs following Emergence from the 2023 Bankruptcy Proceedings on November 14, 2023, no valuations were required for the 2023 measurement year. Fair values for stock options have been calculated using a Black-Scholes valuation model as of the relevant measurement date.

CAP and Financial Performance Measure

In accordance with SEC rules, the following are graphical comparisons of CAP and the financial performance measure, net income, shown in the pay versus performance table. The Company believes that there would not be a meaningful comparison in showing three years (2021, 2022 and 2023) of CAP compared to TSR as TSR only covers the period from June 17, 2022 through December 30, 2022, the period since the Company's emergence from the 2020 Bankruptcy Proceedings during fiscal 2022.




Other NEO compensation actually paid versus GAAP net income 2021 - 2023
GAAP Net Income ($mm)
$0
($200)
($400)
($600)
($800)
($1,000)
($1,200)
($1,400)
($1,600)
($1,800)
Compensation Actually Paid ($mm)
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
2021
2022
2023
CAP Average Other NEOs
GAAP Net Income