

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

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**In re** : **Chapter 11**
  
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**INSYS THERAPEUTICS, INC., et al.,** : **Case No. 19-11292 (KG)**
  
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**Debtors.**<sup>1</sup> : **Jointly Administered**
  
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: **Re: D.I. 5**
  
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**FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105(a),  
363 AND 507(a) (I) AUTHORIZING DEBTORS TO (A) PAY CERTAIN  
PREPETITION WAGES AND REIMBURSABLE EXPENSES, (B) PAY AND  
HONOR EMPLOYEE MEDICAL AND OTHER BENEFITS, AND (C) CONTINUE  
EMPLOYEE BENEFITS PROGRAMS, AND (II) GRANTING RELATED RELIEF**

Upon the motion (the “**Motion**”),<sup>2</sup> dated June 10, 2019, of Insys Therapeutics, Inc. and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to sections 105(a), 363 and 507 of title 11 of the United States Code (the “**Bankruptcy Code**”) for entry of an order authorizing, but not directing, the Debtors to pay and honor certain prepetition claims and obligations, continue programs, and maintain funding, in the exercise of their discretion, relating to, among other things, their Employee Compensation Obligations, Employee Benefit Programs, and Other Employee Programs, all as more fully set forth in the Motion and other than with respect to the Severance Program and related Severance Obligations; and the Court having jurisdiction to consider the

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659); Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155). The Debtors’ mailing address is 410 S. Benson Lane, Chandler, Arizona 85224.

<sup>2</sup> Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Motion and the relief requested therein 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 consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the Notice Parties; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on June 11, 2019 to consider the relief requested in the Motion on an interim basis (the “**Interim Hearing**”); and the Court having entered an order granting the relief requested in the Motion on an interim basis (D.I. 49) (the “**Interim Order**”) and scheduling a final hearing on the Motion for July 8, 2019 (the “**Final Hearing**”); and the Final Hearing having been held, if necessary, to consider the relief requested in the Motion on a final basis; and upon the Long Declaration, filed contemporaneously with the Motion, and the record of the Interim Hearing and, if applicable, the Final Hearing; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted on a final basis, as provided herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363, and 507(a) of the Bankruptcy Code, to pay and honor all prepetition obligations associated with the Employee Obligations (other than the Severance Program) and to continue programs and

maintain funding in the ordinary course of business, to the extent requested in the Motion, including, but not limited to: (a) Unpaid Compensation, Deductions, and Payroll Taxes; (b) compensation for the Supplemental Workforce; (c) Reimbursable Expenses; (d) the Amex Card Program; (e) Employee Benefit Programs; (f) the 401(k) Savings Plan; and (g) the Other Employee Programs; provided that, payments for wages, salaries, or commissions, and sick leave earned by an individual Employee shall not exceed \$13,650, other than by permission of this Court pursuant to the relief requested herein.

3. Nothing contained in the Motion or this Final Order shall be deemed as authorizing or approving (a) any payments or transfers that violate section 503(c) of the Bankruptcy Code; (b) the Debtors to cash out unpaid vacation upon termination of an Employee, unless applicable non-bankruptcy law requires such payment; or (c) any payments or transfers made pursuant to the Severance Program or any of the Severance Obligations.

4. The Debtors are further authorized, but not directed, to modify or discontinue any benefit program to reduce or eliminate program expenses or the benefits provided thereunder, at any time, in their sole discretion without prior Court approval to the extent permitted by the applicable agreement or law.

5. The Debtors and any applicable third party are further authorized to continue to allocate and distribute Deductions and Payroll Taxes to the appropriate third-party recipients or taxing authorities in accordance with the Debtors' stated policies and prepetition practices.

6. The Debtors are further authorized, but not directed, to pay all processing and administrative fees associated with and all costs and expenses incidental to payment of the Employee Obligations.

7. Nothing contained in the Motion or this Final Order, nor any payment made pursuant to the authority granted by this Final Order, is intended to be or shall be construed as (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' or any appropriate party in interest's rights (including the Committee's rights) to dispute the amount of, basis for, or validity of any claim against the Debtors; (c) a waiver of any claims or causes of action that may exist against any creditor or interest holder; or (d) an approval, assumption, adoption, or rejection of any agreement, contract, lease, program, or policy between the Debtors and any third-party under section 365 of the Bankruptcy Code.

8. The Motion is adjourned solely with respect to the Debtors' request for authority to continue and honor the Severance Program for non-insiders and to satisfy the related Severance Obligations, and the hearing on such relief shall be held on **July 24, 2019 at 9:30 a.m. (Eastern Time)** and the deadline for the Committee to object or otherwise respond to the Motion shall be **July 17, 2019 at 4:00 p.m. (Eastern Time)**.

9. Under the circumstances of these Chapter 11 Cases, notice of the Motion is adequate under Bankruptcy Rule 6004(a).

10. Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be immediately effective and enforceable upon its entry.

11. The Debtors are authorized to take all action necessary to implement the relief granted in this Final Order.

12. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and/or enforcement of this Final Order.

A handwritten signature in black ink, appearing to read "Kevin Gross", written over a horizontal line.

**Dated: July 3rd, 2019**  
**Wilmington, Delaware**

**KEVIN GROSS**  
**UNITED STATES BANKRUPTCY JUDGE**