

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re	: Chapter 11 Case No.
	:
RDA HOLDING CO., et al.,	: 13-22233 (RDD)
	:
Debtors.¹	: (Jointly Administered)
	:
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**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING
MODIFIED SECOND AMENDED JOINT PLAN OF REORGANIZATION OF
CERTAIN DEBTORS UNDER CHAPTER 11 OF THE BANKRUPTCY CODE**

WHEREAS each of RDA Holding Co., The Reader’s Digest Association, Inc., Ardee Music Publishing, Inc.; Pegasus Sales, Inc., Pleasantville Music Publishing, Inc., R.D. Manufacturing Corporation, Reiman Manufacturing, LLC, RD Publications, Inc., Home Service Publications, Inc., RD Large Edition, Inc., RDA Sub Co. (f/k/a Books Are Fun, Ltd.), Reader’s Digest Children’s Publishing, Inc., Reader’s Digest Consumer Services, Inc., Reader’s Digest Entertainment, Inc., Reader’s Digest Financial Services, Inc., Reader’s Digest Latinoamerica, S.A., WAPLA, LLC, Reader’s Digest Sales and Services, Inc., Taste of Home Media Group, LLC, Reiman Media Group, LLC, Taste of Home Productions, Inc., World Wide Country Tours, Inc., W.A. Publications, LLC, WRC Media, Inc., RDCL, Inc. (f/k/a CompassLearning, Inc.),

¹ The Debtors in these cases, along with the last four digits of the federal tax identification number for each of the Debtors, are RDA Holding Co. (7045); The Reader’s Digest Association, Inc. (6769); Ardee Music Publishing, Inc. (2291); Direct Entertainment Media Group, Inc. (2306); Pegasus Sales, Inc. (3259); Pleasantville Music Publishing, Inc. (2289); R.D. Manufacturing Corporation (0230); Reiman Manufacturing, LLC (8760); RD Publications, Inc. (9115); Home Service Publications, Inc. (9525); RD Large Edition, Inc. (1489); RDA Sub Co. (f/k/a Books Are Fun, Ltd.) (0501); Reader’s Digest Children’s Publishing, Inc. (6326); Reader’s Digest Consumer Services, Inc. (8469); Reader’s Digest Entertainment, Inc. (4742); Reader’s Digest Financial Services, Inc. (7291); Reader’s Digest Latinoamerica S.A. (5836); WAPLA, LLC (9272); Reader’s Digest Sales and Services, Inc. (2377); Taste of Home Media Group, LLC (1190); Reiman Media Group, LLC (1192); Taste of Home Productions, Inc. (1193); World Wide Country Tours, Inc. (1189); W.A. Publications, LLC (0229); WRC Media Inc. (6536); RDCL, Inc. (f/k/a CompassLearning, Inc.) (6535); RDA Digital, LLC (5603); RDWR, Inc. (f/k/a Weekly Reader Corporation) (3780); Haven Home Media, LLC (f/k/a Reader’s Digest Sub Nine, Inc.) (2727); Weekly Reader Custom Publishing, Inc. (f/k/a Lifetime Learning Systems, Inc.) (3276); and World Almanac Education Group, Inc. (3781).

RDA Digital, LLC, RDWR, Inc. (f/k/a Weekly Reader Corporation), Haven Home Media, LLC (f/k/a Reader's Digest Sub Nine, Inc.), Weekly Reader Custom Publishing, Inc. (f/k/a Lifetime Learning Systems, Inc.), and World Almanac Education Group, Inc. (collectively, the "**Reorganization Plan Debtors**"²), as "proponents of the plan" within the meaning of section 1129 of title 11 of the United States Code (the "**Bankruptcy Code**"), filed the *Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code*, dated May 7, 2013 (ECF No. 318) (as may be subsequently modified, amended or supplemented, the "**Reorganization Plan**")³ and the *Disclosure Statement for Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code*, dated May 7, 2013 (ECF No. 319) (as transmitted to parties in interest, the "**Disclosure Statement**"); and

WHEREAS on May 8, 2013, after due and proper notice and a hearing, the Bankruptcy Court entered the *Order (I) Approving Proposed Disclosure Statement and Form and Manner of Notice of Disclosure Statement Hearing, (II) Establishing Solicitation and Voting Procedures, (III) Scheduling a Confirmation Hearing, and (IV) Establishing Notice and Objection Procedures for Confirmation of Reorganization Plan for Certain Debtors* (ECF No. 324) (together with any schedules and exhibits thereto, the "**Solicitation Order**"), which, pursuant to sections 105, 502, 1125, 1126, and 1128 of the Bankruptcy Code, Bankruptcy Rules 2002, 3017, 3018, 3020, 9013, 9014, and 9021, and Rules 2002-1, 3017-1, 3018-1, 3020-1,

² The term "**Reorganization Plan Debtors**" used herein shall refer to the Reorganization Plan Debtors whether prior to or on and after the Effective Date.

³ Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in the Reorganization Plan, a copy of which is annexed hereto as **Exhibit "A."** Any term used in the Reorganization Plan or this Order (the "**Confirmation Order**") that is not defined in the Reorganization Plan or this Confirmation Order, but that is used in the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") shall have the meaning ascribed to such term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

9013-1, and 9021-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the “**Local Rules**”), among other things, (i) approved the Disclosure Statement, (ii) established solicitation and voting procedures, (iii) established June 28, 2013 as the date for the commencement of the hearing to consider confirmation of the Reorganization Plan (the “**Confirmation Hearing**”), and (iv) established notice and objection procedures in respect of confirmation of the Reorganization Plan, including the form and method of notice of the Confirmation Hearing (the “**Confirmation Hearing Notice**”); and

WHEREAS the Confirmation Hearing Notice and (i) as to holders of Claims in Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Plan Debtor Intercompany Claims) entitled to vote on the Reorganization Plan, the Solicitation Order (without attachments), the Confirmation Hearing Notice, the Disclosure Statement (which includes the Reorganization Plan as an attachment), and an appropriate form of ballot and a postage-prepaid return envelope (such ballot and return envelope being referred to as a “**Ballot**”), and (ii) as to holders of Class 1 (Other Priority Claims), Class 6 (Existing RDA Holding Interests), Class 7 (Intercompany Interests), and Class 8 (Subordinated Securities Claims), the Confirmation Hearing Notice and a notice of non-voting status (a “**Notice of Non-Voting Status**”) in the form annexed to the Solicitation Order as either Exhibit “5-1” or “5-2,” as applicable (collectively, the “**Solicitation Packages**”), was transmitted as set forth in the *Affidavit of Solicitation Materials* executed by James F. Daloia, the manager of solicitation operations at the Debtors’ Court-appointed claims and noticing agent, Epiq Bankruptcy Solutions, LLC (the “**Claims and Noticing Agent**”), on May 21, 2013 (ECF No. 358) (the “**Solicitation Materials Affidavit**”), evidencing the timely service of the Disclosure Statement, the Reorganization Plan, the Confirmation Hearing Notice, Ballots and Notices of

Non-Voting Status, as applicable, and such service is adequate as provided by Bankruptcy Rule 3017(d); and

WHEREAS on June 11, 2013, the Reorganization Plan Debtors filed the *Notice of Filing Plan Supplement in Support of Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code* (ECF No. 396) (the “**Plan Supplement**”); and

WHEREAS on June 11, 2013, the Reorganization Plan Debtors filed the *Notice of Filing of Schedules of Contracts to be Assumed or Rejected Pursuant to Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code* (ECF No. 397) (the “**Notice of Filing Assumption and Rejection Schedules**”); and

WHEREAS the following documents were filed in support of confirmation of the Reorganization Plan:

(i) *Declaration of Robert E. Guth in Support of Confirmation of Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code* (ECF No. 465) (the “**Guth Declaration**”); and

(ii) *Declaration of James F. Daloia on Behalf of Epiq Bankruptcy Solutions, LLC Regarding Voting and Tabulation of Ballots Cast With Respect to the Second Amended Joint Plan of Reorganization of Certain Debtors Under Chapter 11 of the Bankruptcy Code* (ECF No. 447) (the “**Epiq Voting Report**”), attesting and certifying the method and results of the tabulation for Claims in Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), and Class 5 (Plan Debtor Intercompany Claims) entitled to vote to accept or reject the Reorganization Plan; and

WHEREAS the following two limited objections to confirmation of the Reorganization Plan were filed: (a) *Daniel Meehan’s Limited Objection to Debtors’ Plan of Reorganization*, dated June 20, 2013 (ECF No. 438) (the “**Meehan Objection**”), and (b) *Limited Objection of Wilmington Trust, National Association, as Indenture Trustee to Confirmation of the Second Amended Joint Plan of Reorganization of Certain Debtors*, dated June 20, 2013 (the

“**Indenture Trustee Objection**,” and together with the Meehan Objection, the “**Objections**”);
and

WHEREAS the Indenture Trustee Objection having been withdrawn and resolved on the terms and conditions described on the record of the Confirmation Hearing, and the remaining Meehan Objection is overruled on the merits pursuant to this Confirmation Order; and

WHEREAS the Confirmation Hearing was held on June 28, 2013; and

NOW, THEREFORE, based on the Guth Declaration, the Epiq Voting Report, the Solicitation Materials Affidavit, the record of the Confirmation Hearing, including all the evidence proffered or adduced at, the Objections filed in connection with, and the arguments of counsel made at the Confirmation Hearing, and the entire record of the Chapter 11 Cases; and after due deliberation thereon and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. Findings of Fact and Conclusions of Law. The findings and conclusions set forth herein, together with the findings of fact and conclusions of law set forth in the record of the Confirmation Hearing, constitute the Bankruptcy Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

B. Exclusive Jurisdiction; Venue; Core Proceeding (28 U.S.C. §§ 157(b)(2), 1334(a)). The Bankruptcy Court has jurisdiction over the Chapter 11 Cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper under 28 U.S.C. §§ 1408 and 1409. Confirmation of the Reorganization Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L), and the

Bankruptcy Court has exclusive jurisdiction to determine whether the Reorganization Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

C. Chapter 11 Petitions. Commencing on February 17, 2013 (the “**Commencement Date**”) and continuing immediately thereafter, each Reorganization Plan Debtor commenced with this Bankruptcy Court a voluntary case under chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The Reorganization Plan Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed pursuant to section 1104 of the Bankruptcy Code. In accordance with the order of this Bankruptcy Court dated February 21, 2013 (ECF No. 25), the Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b).

D. The Creditors Committee. On February 28, 2013, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed the Official Committee of Unsecured Creditors (the “**Creditors Committee**”).

E. Judicial Notice. The Bankruptcy Court takes judicial notice of the docket of the Chapter 11 Cases maintained by the Clerk of the Bankruptcy Court and/or its duly-appointed agent, including, without limitation, all pleadings and other documents filed, all orders entered, and the evidence and arguments made, proffered, or adduced at the hearings held before the Bankruptcy Court during the pendency of the Chapter 11 Cases, including, but not limited to, the hearing to consider the adequacy of the Disclosure Statement.

F. Burden of Proof. The Reorganization Plan Debtors have satisfied their burden of proving by a preponderance of the evidence that the Reorganization Plan satisfies the requirements of section 1129(a) and (b) of the Bankruptcy Code.

G. Transmittal and Mailing of Materials; Notice. The Disclosure Statement, the Reorganization Plan, the Ballots, the Solicitation Order and the Confirmation Hearing Notice, which were transmitted and served as set forth in the Solicitation Materials Affidavit, have been transmitted and served in compliance with the Solicitation Order, the Bankruptcy Rules, and the Local Rules, such transmittal and service were adequate and sufficient, and no other or further notice is or shall be required.

H. Voting. Votes to accept or reject the Reorganization Plan have been solicited and tabulated fairly, in good faith, and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules and the Solicitation Order.

I. Plan Supplement. On June 11, 2013 and thereafter, the Reorganization Plan Debtors filed the Plan Supplement, which includes, among other things, the substantially final forms of the (i) Amended Organizational Documents (to the extent such Amended Organizational Documents reflect material changes from the Reorganization Plan Debtors' existing organizational documents and by laws), (ii) the Schedule of Assumed Contracts, (iii) a schedule of executory contracts and/or unexpired leases to be rejected pursuant to the Reorganization Plan, (iv) the First Out Exit Facilities, (v) the Second Out Exit Term Loan Agreement, (vi) the Stockholders Agreement, (vii) the members of the New Board, (viii) a schedule of Debtor Affiliates to be liquidated or merged into one or more of the other Debtor Affiliates or any other subsidiaries of the Reorganization Plan Debtors or dissolved on or after the Effective Date, and (ix) a schedule of non-released and non-exculpated parties under the Reorganization Plan. All such materials comply with the terms of the Reorganization Plan, and the filing and notice of such documents, including the notice of filing of Plan Supplement and the Notice of Filing Assumption and Rejection Schedules, is good and proper in accordance with

the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all other applicable rules, laws, and regulations, and no other or further notice is or shall be required.

J. Bankruptcy Rule 3016(a). In accordance with Bankruptcy Rule 3016(a), the Reorganization Plan is dated and identifies the Reorganization Plan Debtors as the proponents of the Reorganization Plan.

K. Reorganization Plan Compliance with Bankruptcy Code – 11 U.S.C. § 1129(a)(1). The Reorganization Plan complies with all applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(1) of the Bankruptcy Code.

1. Proper Classification – 11 U.S.C. §§ 1122, 1123(a)(1). In addition to Administrative Expense Claims (including Restructuring Expenses), Fee Claims, Priority Tax Claims, DIP Claims, 2012 Senior Credit Agreement Claims, Roll-Up Loan and Indenture Trustee Fees, which need not be classified, the Reorganization Plan designates the following eight Classes of Claims and Interests: Class 1 (Other Priority Claims), Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), Class 5 (Plan Debtor Intercompany Claims), Class 6 (Existing RDA Holding Interests), Class 7 (Intercompany Interests) and Class 8 (Subordinated Securities Claims). The Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid business, factual, and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Reorganization Plan, and such Classes do not unfairly discriminate between holders of Claims and Interests. Accordingly, the Reorganization Plan satisfies sections 1122 and 1123(a)(1) of the Bankruptcy Code.

2. Specified Unimpaired Classes – 11 U.S.C. § 1123(a)(2). Section 3 of the Reorganization Plan specifies that Class 1 (Other Priority Claims) and Class 7

(Intercompany Interests) are unimpaired under the Reorganization Plan, thereby satisfying section 1123(a)(2) of the Bankruptcy Code.

3. Specified Treatment of Impaired Classes – 11 U.S.C. § 1123(a)(3).

Section 3 of the Reorganization Plan designates Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), Class 5 (Plan Debtor Intercompany Claims), Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims) as impaired, and Section 4 of the Reorganization Plan specifies the treatment of Claims and Interests in such Classes, thereby satisfying section 1123(a)(3) of the Bankruptcy Code.

4. No Discrimination – 11 U.S.C. § 1123(a)(4). The Reorganization

Plan provides for the same treatment by the Reorganization Plan Debtors of each Claim or Interest in each respective Class or subclass in the case of Class 4 (General Unsecured Claims) unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest, thereby satisfying section 1123(a)(4) of the Bankruptcy Code.

5. Implementation of Reorganization Plan – 11 U.S.C. § 1123(a)(5).

The Reorganization Plan and the various documents and agreements referred to therein or set forth in the Plan Supplement and the Exhibits to the Reorganization Plan provide adequate and proper means for the Reorganization Plan's implementation, including, without limitation, (i) the compromise and settlement of all Claims, Interests, and controversies, including without limitation, approval of the Restructuring Support Agreement and the 2011 Financing Settlement, (ii) the entry into the First Out Exit Facilities to refinance the Roll-Up Loans and replace any letters of credit under the DIP Facility, (ii) entry into the Second Out Exit Term Loan to refinance the New Money Loans outstanding under the DIP Facility, (iii) the authorization and

issuance all plan-related securities and documents, including, without limitation, the New Common Stock and any options or entitlements to purchase such plan-related securities, without the need for any further corporate, partnership, or limited liability company action, (iv) except as expressly provided in the Reorganization Plan and in connection with the First Out Exit Facilities and the Second Out Exit Term Loan Agreement, the cancellation of all notes, instruments, certificates evidencing debts to or interests in the Reorganization Plan Debtors, including, without limitation, the DIP Loan Agreement (only upon and following the effectiveness of the First Out Exist Facilities and the Second Out Exit Term Loan Agreement or payment in full in cash), the 2012 Senior Credit Agreement, the Security Agreement, the Indenture, the 2011 Secured Term Loan and the Unsecured Term Loan, (v) the appointment of the New Board of Reorganized RDA Holding, (vi) the implementation by the Reorganized Debtors of the International Restructuring Transactions with the concurrence of the New Board and (vii) the cancellation of any Lien securing any Secured Claim except as otherwise specifically provided in the Reorganization Plan with respect to Class 2 (Other Secured Claims), thereby satisfying section 1123(a)(5) of the Bankruptcy Code.

6. Nonvoting Equity Securities – 11 U.S.C. § 1123(a)(6). The amended certificate of incorporation of Reorganized RDA Holding, which is included in the Plan Supplement, prohibits the issuance of non-voting equity securities, thereby satisfying section 1123(a)(6) of the Bankruptcy Code, and authorizes the issuance of one (1) class of New Common Stock. Pursuant to the Reorganization Plan, only the New Common Stock is being issued. The issuance of the New Common Stock complies with section 1123(a)(6) of the Bankruptcy Code. The amended certificate of incorporation of Reorganized RDA Holding and the Amended Organizational Documents of the Reorganization Plan Debtor Affiliates satisfy the

provisions of the Bankruptcy Code and include, among other things, a provision prohibiting the issuance of non-voting equity securities.

7. Selection of Officers, Directors, or Trustees – 11 U.S.C.

§ 1123(a)(7). Section 5.5 of the Reorganization Plan contains provisions with respect to the selection of directors and officers of the Reorganized Debtors that are consistent with the interests of creditors, equity security holders, and public policy, thereby satisfying section 1123(a)(7) of the Bankruptcy Code.

8. Impairment/Unimpairment of Classes of Claims and Equity

Interests – 11 U.S.C. § 1123(b)(1). As contemplated by section 1123(b)(1) of the Bankruptcy Code, Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), Class 5 (Plan Debtor Intercompany Claims), Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims) are impaired under the Reorganization Plan. Class 1 (Other Priority Claims) and Class 7 (Intercompany Interests) are unimpaired under the Reorganization Plan.

9. Assumption and Rejection of Executory Contracts and Unexpired

Leases – 11 U.S.C. § 1123(b)(2). Section 8 of the Reorganization Plan governing the assumption and rejection of executory contracts and unexpired leases satisfies the requirements of section 365(b) of the Bankruptcy Code and, accordingly, the requirements of section 1123(b)(2) of the Bankruptcy Code.

10. Settlement of Claims and Causes of Action – 11 U.S.C.

§ 1123(b)(3).

- (i) *Restructuring Support Agreement*. The Reorganization Plan is premised upon the Restructuring Support Agreement. The Restructuring Support Agreement is integral to

the Reorganization Plan and settles and compromises certain Claims and Causes of Actions among the Reorganization Plan Debtors, DEMG, the Consenting Lender and the Consenting Secured Noteholders, all as more fully set forth in the Restructuring Support Agreement, the Disclosure Statement and Section 5.1 of the Reorganization Plan. The Restructuring Support Agreement reflects a consensual agreement reached after extensive arms-length negotiations among the Reorganization Plan Debtors, DEMG, the Consenting Lender and the Consenting Secured Noteholders.

(ii) *Global Settlement and Compromise.* The Reorganization Plan incorporates a global settlement and compromise (the “**Global Settlement**”) among the Reorganization Plan Debtors, the Consenting Secured Noteholders and the Creditors Committee to resolve all disputes among the parties that provides for an enhanced recovery for holders of Allowed General Unsecured Claims against Reader’s Digest primarily to settle and avoid litigating disputes regarding value of unencumbered assets available for distribution to general unsecured creditors in these Chapter 11 Cases (if any) including the value of Reader’s Digest’s one-third (1/3) equity interest in its international subsidiaries and certain causes of action potentially available to the Reorganization Plan Debtors as well as to support the releases provided for in the Reorganization Plan. Specifically, pursuant to the Global Settlement, the Reorganization Plan provides for (i) the GUC Distribution to be allocated *Pro Rata* among all sub-classes of General Unsecured Claims at each Reorganization Plan Debtor that have voted to accept the Reorganization Plan and (ii) the RDA GUC Distribution to holders of Allowed General Unsecured Claims against Reader’s Digest if that sub-class votes to accept the Reorganization Plan. The Global Settlement is integral to the Reorganization Plan and settles and compromises certain Claims and Causes of Actions among the Reorganization Plan Debtors,

the Consenting Lender, the Consenting Secured Noteholders and the Creditors Committee, all as more fully set forth in the Reorganization Plan and the Disclosure Statement.

(iii) *2011 Financing Settlement.* The Reorganization Plan incorporates the 2011 Financing Settlement among the Reorganization Plan Debtors, the Creditors Committee, the Unsecured Administrative Agent, the 2011 Secured Administrative Agent, the Unsecured Lenders and the 2011 Secured Lenders, pursuant to which: (i) the Unsecured Administrative Agent shall receive (a) an Allowed Class 4 General Unsecured Claim of \$16,939,830.55 against Reader's Digest (which amount represents 1.67 times the amount of the outstanding principal and accrued but unpaid interest under the Unsecured Term Loan), for distribution purposes only, and shall waive any right to seek any further or additional distribution under the Reorganization Plan and (b) Allowed Class 4 General Unsecured Claims in the total aggregate amount of \$1.00 against each of the other Reorganization Plan Debtors for voting purposes only; and (ii) the Unsecured Administrative Agent, the Unsecured Lenders, the 2011 Secured Administrative Agent and the 2011 Secured Lenders shall receive exculpations and general releases by the Reorganization Plan Debtors, the other Released Parties and, to the extent authorized by the Bankruptcy Court, the holders of Claims against, and Interests in, the Reorganization Plan Debtors. The 2011 Financing Settlement is integral to the Reorganization Plan and settles and compromises certain Claims and Causes of Actions among the Reorganization Plan Debtors, the Creditors Committee, the Unsecured Administrative Agent, the 2011 Secured Administrative Agent, the Unsecured Lenders and the 2011 Secured Lenders, all as more fully set forth in Section 1.1 of the Reorganization Plan and the Disclosure Statement. The 2011 Financing Settlement reflects a consensual agreement reached after extensive arms-length negotiations among the Reorganization Plan Debtors, the Creditors Committee, the Unsecured Administrative

Agent, the 2011 Secured Administrative Agent, the Unsecured Lenders and the 2011 Secured Lenders.

(iv) In light of (i) the uncertainty of a litigation outcome, (ii) the highly fact-sensitive nature of claims involved, (iii) the desire of creditors for speedy distributions, (iv) the need to fund complex litigation, which could dilute creditor recoveries, and (v) the benefit of the GUC Distribution and the RDA GUC Distribution to the holders of Allowed General Unsecured Claims, and upon consideration of all the claims and counterclaims that could have been asserted by the Reorganization Plan Debtors, the Creditors Committee and the parties to the Restructuring Support Agreement, the asserted and potential defenses and responses thereto, and the delay, expense, uncertainty, and risks of continued litigation of such claims, and based upon the findings of fact and conclusions of law set forth herein, the Bankruptcy Court finds that the Restructuring Support Agreement, the Global Settlement and the 2011 Financing Settlement, as well as and including the releases provided in Section 10.6, 10.7 and 10.8 of the Reorganization Plan, are fair and reasonable, are entered into in good faith and at arms' length, and are in the best interests of the Reorganization Plan Debtors, their estates, and creditors, and their inclusion in the Reorganization Plan is a valid exercise of the Reorganization Plan Debtors' business judgment. In light of the foregoing, the Restructuring Support Agreement, the Global Settlement, the 2011 Financing Settlement, and the releases in the Reorganization Plan, including the releases in Sections 10.5, 10.7 and 10.8 of the Reorganization Plan, comply with section 1123(b)(A) of the Bankruptcy Code and the standards for approval under Bankruptcy Rule 9019. Further, in accordance and compliance with section 1123(b)(3)(B) of the Bankruptcy Code, Sections 10.6, 10.7, 10.8 and 10.9 of the Reorganization Plan properly retain certain Causes of Action of the Reorganization Plan Debtors.

11. Modification of Rights – 11 U.S.C. § 1123(b)(5). In accordance and in compliance with section 1123(b)(5) of the Bankruptcy Code, the Reorganization Plan properly modifies the rights of holders of Claims in Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims), Class 5 (Plan Debtor Intercompany Claims), Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims). The Reorganization Plan also leaves unaffected the rights of holders of Claims in Class 1 (Other Priority Claims) and Class 7 (Intercompany Interests).

12. Additional Reorganization Plan Provisions – 11 U.S.C. § 1123(b)(6). The provisions of the Reorganization Plan are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1123(b) of the Bankruptcy Code. The failure to specifically address a provision of the Bankruptcy Code in this Confirmation Order shall not diminish or impair the effectiveness of this Confirmation Order.

13. Reorganization Plan Debtors Are Not Individuals – 11 U.S.C. § 1123(c). The Reorganization Plan Debtors are not individuals and, accordingly, section 1123(c) of the Bankruptcy Code is inapplicable to these Chapter 11 Cases.

14. Cure of Defaults – 11 U.S.C. § 1123(d). Section 8.2 of the Reorganization Plan provides for the satisfaction of default claims associated with each executory contract and unexpired lease to be assumed pursuant to the Reorganization Plan in accordance with section 365(b)(1) of the Bankruptcy Code. All Cure amounts will be determined in accordance with the underlying agreements and applicable bankruptcy and non-bankruptcy law. Thus, the Reorganization Plan complies with section 1123(d) of the Bankruptcy Code.

L. Reorganization Plan Debtors' Compliance with Bankruptcy Code – 11

U.S.C. § 1129(a)(2). The Reorganization Plan Debtors have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying section 1129(a)(2) of the Bankruptcy Code. Specifically:

(i) The Reorganization Plan Debtors are proper debtors under section 109 of the Bankruptcy Code;

(ii) The Reorganization Plan Debtors have complied with applicable provisions of the Bankruptcy Code, except as otherwise provided or permitted by orders of this Court; and

(iii) The Reorganization Plan Debtors have complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and the Solicitation Order in transmitting the Disclosure Statement, the Reorganization Plan, the Ballots, and related documents and notices and in soliciting and tabulating votes on the Reorganization Plan.

M. Reorganization Plan Proposed in Good Faith – 11 U.S.C. § 1129(a)(3).

The Reorganization Plan Debtors have proposed the Reorganization Plan (including the Restructuring Support Agreement, the First Out Exit Facilities, the Second Out Term Loan Agreement, the Global Settlement, the FTC Claims Settlement, the 2011 Financing Settlement and all other agreements, documents, and instruments necessary to effectuate the Reorganization Plan) in good faith and not by any means forbidden by law, thereby satisfying section 1129(a)(3) of the Bankruptcy Code. The Reorganization Plan Debtors' good faith is evident from the facts and record of these Chapter 11 Cases, the Disclosure Statement and the hearings thereon, and the record of the Confirmation Hearing and other proceedings held in these Chapter 11 Cases. The Reorganization Plan is based upon extensive, arms'-length negotiations between and among

representatives of the Reorganization Plan Debtors, the Creditors Committee, the DIP Lenders, the Administrative Agent, the Consenting Lender, the Consenting Secured Noteholders, the Unsecured Administrative Agent, the 2011 Secured Administrative Agent, the Unsecured Lenders, and the 2011 Secured Lenders, and represents the culmination of months of intensive negotiations and discussions among all parties in interest. The Reorganization Plan was proposed with the legitimate and honest purpose of maximizing the value of the Reorganization Plan Debtors' estates and effectuating a successful reorganization of the Reorganization Plan Debtors. Further, the Reorganization Plan's classification, indemnification, exculpation, release, settlement, and injunction provisions, including without limitation, Sections 10.6, 10.7 and 10.8 of the Reorganization Plan, have been negotiated in good faith and at arms' length, consistent with sections 105, 1123(b)(3)(A), 1123(b)(6), 1129, and 1142 of the Bankruptcy Code.

N. Payments for Services or Costs and Expenses – 11 U.S.C. § 1129(a)(4).

Any payment made or to be made by any of the Reorganization Plan Debtors for services or for costs and expenses incurred prior to the Effective Date in connection with the Chapter 11 Cases of the Reorganization Plan Debtors, or in connection with the Reorganization Plan and incident to the Chapter 11 Cases of the Reorganization Plan Debtors, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable, thereby satisfying section 1129(a)(4) of the Bankruptcy Code. Pursuant to the Restructuring Support Agreement and the DIP Order, the Reorganization Plan Debtors have agreed to pay, without the requirement for the filing of retention applications, fee applications or any other applications in the Chapter 11 Cases of the Reorganization Plan Debtors, the reasonable and documents fees and expenses incurred by each of the Administrative Agent, the Collateral Agent, the 2012 Senior Credit Agreement Lenders, the Consenting Lender, the Consenting Secured Noteholders, the DIP Agent, and the DIP

Lenders in connection with the Restructuring, including the fees and expenses of their respective legal and financial advisors (limited to one primary counsel for the Consenting Lender, and one primary special counsel and local counsel for each of the Consenting Lender, the DIP Agent, and the Consenting Secured Noteholders, and one financial advisor for the Consenting Secured Noteholders).

O. Directors, Officers and Insiders – 11 U.S.C. § 1129(a)(5). The Reorganization Plan Debtors have complied with section 1129(a)(5) of the Bankruptcy Code. The identity and affiliations of the persons proposed to serve as the initial directors and officers of the Reorganized Debtors after confirmation of the Reorganization Plan have been fully disclosed to the extent such information is available, and the appointment to, or continuance in, such offices of such persons is consistent with the interests of holders of Claims against and Interests in the Reorganized Debtors and with public policy. Upon and following the Effective Date, the New Board shall be comprised of the individuals set forth in the Plan Supplement and such additional directors as may be designated consistent with the terms of the Reorganization Plan or the Stockholders Agreement. Except as otherwise provided in the Plan Supplement, the officers of the respective Reorganized Debtors immediately before the Effective Date shall serve as the initial officers of each of the respective Reorganized Debtors on or after the Effective Date and in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. After the Effective Date, the selection of officers of the Reorganized Debtors shall be as provided by their respective organizational documents. Except as otherwise provided in the Plan Supplement, the members of the board of directors and the board of managing members for each of the Reorganized Plan Debtor Affiliates immediately before the Effective Date shall serve as the members of the board of directors and the board of managing

members of each of the respective Reorganized Debtors on or after the Effective Date and thereafter shall be determined as set forth in their respective organizational documents; *provided, however*, the initial board of directors of Reader's Digest shall be comprised of the same members of the New Board of RDA Holding.

P. No Rate Changes – 11 U.S.C. § 1129(a)(6). The Reorganization Plan does not provide for rate changes by any of the Reorganized Debtors. Thus, section 1129(a)(6) of the Bankruptcy Code is not applicable in these Cases.

Q. Best Interests of Creditors – 11 U.S.C. § 1129(a)(7). The Reorganization Plan satisfies section 1129(a)(7) of the Bankruptcy Code. The Disclosure Statement, the Plan Supplement, the Guth Declaration and the other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an impaired Claim or Interest either has accepted the Reorganization Plan or will receive or retain under the Reorganization Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Reorganization Plan Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

R. Acceptance by Certain Classes – 11 U.S.C. § 1129(a)(8). Class 1 (Other Priority Claims) and Class 7 (Intercompany Interests) are unimpaired under the Reorganization Plan and are deemed to have accepted the Reorganization Plan pursuant to section 1126(f) of the Bankruptcy Code. Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Secured Claims), Class 4 (General Unsecured Claims) and Class 5 (Plan Debtor Intercompany Claims) have voted to accept the Reorganization Plan in accordance with sections 1126(c) and (d) of the Bankruptcy Code. Holders of Claims and Interests in Class 6 (Existing RDA Holding Interests) and Class 8

(Subordinated Securities Claims) are not entitled to receive or retain any property under the Reorganization Plan and, therefore, are deemed to have rejected the Reorganization Plan pursuant to section 1126(g) of the Bankruptcy Code. Although section 1129(a)(8) of the Bankruptcy Code has not been satisfied with respect to the deemed rejecting Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims), the Reorganization Plan is confirmable because the Reorganization Plan satisfies section 1129(b) of the Bankruptcy Code with respect to those Classes.

S. Treatment of Administrative Expenses, Priority Tax Claims and Other Priority Claims – 11 U.S.C. § 1129(a)(9). The treatment of Administrative Expenses (including DIP Claims, Fee Claims and Restructuring Expenses) and Priority Tax Claims pursuant to Sections 2.1 and 2.3 of the Reorganization Plan, respectively, satisfies the requirements of sections 1129(a)(9)(A), (C), and (D) of the Bankruptcy Code, as applicable. The treatment of Other Priority Claims pursuant to Section 4.1 of the Reorganization Plan satisfies the requirements of section 1129(a)(9)(B) of the Bankruptcy Code. The Reorganization Plan Debtors have sufficient Cash to pay Allowed Administrative Expense Claims (including DIP Claims, Fee Claims and Restructuring Expenses), Allowed Priority Tax Claims, and Allowed Other Priority Claims.

T. Acceptance by Impaired Classes – 11 U.S.C. § 1129(a)(10). Class 2 (Other Secured Claims), Class 3 (Senior Noteholder Claims), Class 4 (General Unsecured Claims) and Class 5 (Plan Debtor Intercompany Claims) voted to accept the Reorganization Plan by the requisite majorities, determined without including any acceptance of the Reorganization Plan by any insider, thereby satisfying the requirements of section 1129(a)(10) of the Bankruptcy Code.

U. Senior Noteholder Deficiency Claims. All Senior Noteholder Deficiency Claims in each accepting sub-class of Class 4 (General Unsecured Claims) are deemed waived for purposes of entitling holders of such Senior Noteholder Deficiency Claims to share in any recovery from the GUC Distribution or the RDA GUC Distribution, as applicable.

V. Feasibility – 11 U.S.C. § 1129(a)(11). The Disclosure Statement, the Plan Supplement, the Guth Declaration and the other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that the Reorganization Plan is feasible and that there is a reasonable prospect of the Reorganized Debtors being able to meet their financial obligations under the Reorganization Plan and their business in the ordinary course and that confirmation of the Reorganization Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

W. Payment of Statutory Fees – 11 U.S.C. § 1129(a)(12). Pursuant to Section 12.1 of the Reorganization Plan, all fees payable under section 1930 of chapter 123 of title 28 of the United States Code will be paid on the Effective Date, and thereafter as may be required. Thus, the Reorganization Plan satisfies the requirements of section 1129(a)(12) of the Bankruptcy Code.

X. Benefit Plans – 11 U.S.C. § 1129(a)(13). Pursuant to Section 8.5 of the Reorganization Plan, except as otherwise provided herein or in the Reorganization Plan, all material employee compensation and Benefit Plans of the Reorganization Plan Debtors in effect as of the Effective Date shall be deemed to be, and shall be treated as if they were, executory contracts that are to be assumed under the Reorganization Plan; *provided, however*, that

notwithstanding the foregoing, The Reader's Digest Association, Inc. Executive Severance Plan (the "**Executive Severance Plan**") shall not be assumed by the Reorganization Plan Debtors and shall be rejected in accordance with section 8.1 of the Reorganization Plan. Thus, the Reorganization Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

Y. Domestic Support Obligations – 11 U.S.C. § 1129(a)(14). The Reorganization Plan Debtors are not required by a judicial or administrative order, or by statute, to pay any domestic support obligations, and therefore, section 1129(a)(14) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

Z. The Reorganization Plan Debtors Are Not Individuals – 11 U.S.C. § 1129(a)(15). The Reorganization Plan Debtors are not individuals, and therefore, section 1129(a)(15) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

AA. No Applicable Nonbankruptcy Law Regarding Transfers – 11 U.S.C. § 1129(a)(16). Each of the Reorganization Plan Debtors that is a corporation is a moneyed, business, or commercial corporation or trust, and therefore, section 1129(a)(16) of the Bankruptcy Code is inapplicable in these Chapter 11 Cases.

BB. Fair and Equitable; No Unfair Discrimination – 11 U.S.C. § 1129(b). Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims) are deemed to reject the Reorganization Plan. Based on the Disclosure Statement, the Guth Declaration and the evidence proffered, adduced, or presented by the Reorganization Plan Debtors at the Confirmation Hearing, the Reorganization Plan does not discriminate unfairly and is fair and equitable (a) with respect to Class 6 (Existing RDA Holding Interests), as required by sections 1129(b)(2)(C)(i) and 1129(b)(2)(C)(ii) of the Bankruptcy Code, and (b) with respect to Class 8 (Subordinated Securities Claims), as required by sections 1129(b)(2)(B)(i) and

1129(b)(2)(B)(ii) of the Bankruptcy Code. Thus, the Reorganization Plan may be confirmed notwithstanding the Reorganization Plan Debtors' failure to satisfy section 1129(a)(8) of the Bankruptcy Code. Upon confirmation of the Reorganization Plan and the occurrence of the Effective Date, the Reorganization Plan shall be binding on the members of Class 6 (Existing RDA Holding Interests) and Class 8 (Subordinated Securities Claims).

CC. Only One Plan – 11 U.S.C. § 1129(c). Because the Reorganization Plan is the only chapter 11 plan filed in the Chapter 11 Cases of the Reorganization Plan Debtors, the Reorganization Plan satisfies section 1129(c) of the Bankruptcy Code.

DD. Principal Purpose of the Reorganization Plan – 11 U.S.C. § 1129(d). Because the principal purpose of the Reorganization Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933, the Reorganization Plan satisfies section 1129(d) of the Bankruptcy Code.

EE. Small Business Case – 11 U.S.C. § 1129(e). None of these Chapter 11 Cases are a "small business case," as that term is defined in the Bankruptcy Code, and, accordingly, section 1129(e) of the Bankruptcy Code is inapplicable.

FF. Good Faith Solicitation – 11 U.S.C. § 1125(e). Based on the record before the Bankruptcy Court in the Chapter 11 Cases of the Reorganization Plan Debtors, the Reorganization Plan Debtors and their directors, officers, employees, members, agents, advisors, and professionals have acted in "good faith" within the meaning of section 1125(e) of the Bankruptcy Code in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and the Solicitation Order in connection with all their respective activities relating to the solicitation of acceptances or rejections of the Reorganization Plan and their participation in the activities described in section 1125 of the Bankruptcy Code,

and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and the exculpation provisions set forth in Section 10.8 of the Reorganization Plan.

GG. Injunction, Exculpation, and Releases. The Bankruptcy Court has jurisdiction under sections 1334(a) and (b) of the United States Code to approve the injunctions or stays, injunction against interference with the Reorganization Plan, releases, and exculpation set forth in the Reorganization Plan, including those set forth in Sections 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8 of the Reorganization Plan. Section 105(a) of the Bankruptcy Code permits issuance of the injunction and approval of the releases set forth in the Reorganization Plan, including those set forth in Sections 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8 of the Reorganization Plan if, as has been established here based upon the record in the Chapter 11 Cases and the evidence presented at the Confirmation Hearing, such provisions (i) were given in exchange for good and valuable consideration, (ii) were integral to the agreements among the various parties in interest, as reflected in the Restructuring Support Agreement, the Global Settlement, the FTC Claims Settlement and the 2011 Financing Settlement, and are essential to the formulation and implementation of the Reorganization Plan, as provided in section 1123 of the Bankruptcy Code, (iii) confer substantial benefits on the Reorganization Plan Debtors' Estates, (iv) are fair, equitable and reasonable, and (v) are in the best interests of the Reorganization Plan Debtors, their Estates, and parties in interest. Pursuant to section 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), the injunctions, releases, and exculpations set forth in the Reorganization Plan, including those set forth in Section 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8 of the Reorganization Plan, and implemented by this Confirmation Order are fair, equitable, reasonable, and in the best interests of the Reorganization Plan Debtors, the Reorganized Debtors, and their Estates, creditors, and equity holders. The releases of the other Released

Parties under the Reorganization Plan are fair to holders of Claims, are necessary to the proposed reorganization, and are given in exchange for, and supported by, fair, sufficient, and adequate consideration provided by each and all of the parties receiving such releases. Further, the releases in the Reorganization Plan do not relieve any Released Parties from Claims or Causes of Action arising out of or relating to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud. The exculpations granted under the Reorganization Plan are reasonable in scope as the exculpation provision does not relieve any party from any claim, obligation, cause of action or liability for any claim arising out of willful misconduct or gross negligence. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the injunctions, releases, and exculpations provided for in the Reorganization Plan, including those set forth in Sections 10.3, 10.4, 10.5, 10.6, 10.7, and 10.8 of the Reorganization Plan and the failure to implement the injunctions, exculpations, and releases would seriously impair the Reorganization Plan Debtors' ability to confirm the Reorganization Plan.

Accordingly, based upon the record of the Chapter 11 Cases, the representations of the parties, and/or the evidence proffered, adduced, and/or presented at the Confirmation Hearing, the Bankruptcy Court finds that the injunctions, exculpations, and releases set forth in the Reorganization Plan, including those set forth in Sections 10.3, 10.4, 10.5, 10.6, 10.7, and 10.8 of the Reorganization Plan, are consistent with the Bankruptcy Code and applicable law.

HH. Implementation. All documents necessary to implement the Reorganization Plan, including those contained in the Plan Supplement, and all other relevant and necessary documents have been negotiated in good faith and at arms' length and shall, upon completion of documentation and execution (including the documentation of the First Out Exit

Facilities and the Second Out Exit Term Loan Agreement), be valid, binding, and enforceable agreements and not be in conflict with any federal or state law.

II. Executory Contracts and Unexpired Leases. Following consultation with the Required Consenting Secured Parties, the Reorganization Plan Debtors have exercised reasonable business judgment in determining whether to assume or reject executory contracts and unexpired leases pursuant to Section 8.1 of the Reorganization Plan. Each assumption of an executory contract or unexpired lease pursuant to Section 8.1 of the Reorganization Plan shall be legal, valid, and binding upon the Reorganization Plan Debtors or Reorganized Debtors and their successors and assigns and all non-Debtor parties and their successors and assigns to such executory contract or unexpired lease, all to the same extent as if such assumption have been effectuated pursuant to an order of the Bankruptcy Court under section 365 of the Bankruptcy Code entered before entry of this Confirmation Order. Moreover, the Reorganization Plan Debtors have appropriately Cured, or provided adequate assurance that the Reorganization Plan Debtors or Reorganized Debtors or their successors and assigns, as applicable, will Cure, defaults (if any) under or relating to each of the executory contracts and unexpired leases that are being assumed by the Reorganization Plan Debtors pursuant to the Reorganization Plan.

JJ. Good Faith. The Reorganization Plan Debtors, the Creditors Committee, the Administrative Agent, the Unsecured Administrative Agent, the 2011 Secured Administrative Agent, the Collateral Agent, the 2012 Senior Credit Agreement Lenders, the other Secured Parties under and as defined in the Security Agreement, the DIP Lenders, the Consenting Lender, the DIP Agent, the arrangers under each of the DIP Facility and the Exit Financing, the administrative agents, collateral agents and lenders under the Exit Financing, the Consenting Secured Noteholders, the Unsecured Lenders and the 2011 Secured Lenders, and all

of their respective members, officers, directors, agents, financial advisers, attorneys, employees, equity holders, partners, affiliates, and representatives will be acting in good faith if they proceed to (i) consummate the Reorganization Plan and the agreements (including the Restructuring Support Agreement, the Global Settlement, the FTC Claims Settlement and the 2011 Financing Settlement), settlements, transactions, and transfers contemplated thereby and (ii) take the actions authorized and directed by this Confirmation Order.

KK. Exit Financing. Upon diligent inquiry, the Reorganization Plan Debtors have determined that the Exit Financing comprised of the First Out exit Facilities and the Second Out Exit Term Loan Agreement are the best financing alternatives available to the Reorganization Plan Debtors. The Exit Financing has been negotiated in good faith and on an arms' length basis and each party thereto may rely upon the provisions of this Confirmation Order in closing the Exit Financing. The availability of Exit Financing is necessary to the consummation of the Reorganization Plan and the operation of the Reorganized Debtors, and constitutes reasonably equivalent value and fair consideration. The terms and conditions of the First Out Exit Facilities and the Second Out Exit Term Loan Agreement, and all exhibits thereto, as set forth in the Plan Supplement are fair and reasonable, reflect the Reorganization Plan Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are supported by reasonably equivalent value and fair consideration, and are in the best interests of the Reorganization Plan Debtors' Estates and their creditors. The execution, delivery, or performance by the Reorganization Plan Debtors or Reorganized Debtors, as the case may be, of any documents in connection with the Exit Financing, in accordance with the First Out Exit Facilities and the Second Out Exit Term Loan Agreement, as applicable, and compliance by the Reorganization Plan Debtors or Reorganized Debtors, as the case may be, with the terms thereof

is authorized by, and will not conflict with, the terms of the Reorganization Plan or this Confirmation Order. The financial accommodations to be extended pursuant to the Exit Financing documents are being extended in good faith, for legitimate business purposes, are reasonable, and shall not be subject to recharacterization for any purposes whatsoever.

LL. Conditions Precedent to Effective Date. The conditions precedent to the Effective Date set forth in Section 9.1 of the Reorganization Plan may be waived in writing by the Reorganization Plan Debtors (with the prior consent of the Required Consenting Secured Parties), without notice or order of the Bankruptcy Court.

MM. Satisfaction of Confirmation Requirements. The Reorganization Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

NN. Objections. All parties have had a full and fair opportunity to litigate all issues raised, or which might have been raised, in the Objections, and the Objections have been fully and fairly litigated.

OO. Retention of Jurisdiction. The Bankruptcy Court may, and upon the Effective Date shall, retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Cases, including the matters set forth in Section 11 of the Reorganization Plan and section 1142 of the Bankruptcy Code.

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. Confirmation. The Reorganization Plan annexed hereto as **Exhibit "A"** and each of its provisions, as modified pursuant to section 1127 of the Bankruptcy Code, are hereby approved and CONFIRMED under section 1129 of the Bankruptcy Code. The terms of the Reorganization Plan, all Exhibits thereto, and the Plan Supplement, each, as may be

modified, are incorporated by reference into and are an integral part of the Reorganization Plan and this Confirmation Order.

2. Modifications to the Reorganization Plan. The modifications to the Reorganization Plan constitute technical changes and do not materially adversely affect or change the treatment of any Claims. Accordingly, pursuant to Bankruptcy Rule 3019 and in accordance with the Solicitation Order, such modifications do not require additional disclosure under section 1125 of the Bankruptcy Code or re-solicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that holders of Claims be afforded an opportunity to change previously cast acceptances or rejections of the Reorganization Plan. Holders of Claims who voted to accept the solicitation version of the Reorganization Plan are deemed to accept the Reorganization Plan as modified. Prior to the Effective Date, the Reorganization Plan Debtors may make additional appropriate technical adjustments and modifications to the Reorganization Plan and the documents contained in the Plan Supplement without further order or approval of the Bankruptcy Court; *provided, however*, that such technical adjustments and modifications shall be satisfactory to the Required Consenting Secured Parties and the Creditors Committee.

3. Plan Supplement and Exhibits to the Reorganization Plan. The documents contained in the Plan Supplement (including the First Out Exit Facilities, the Second Out Exit Term Loan, the Schedule of Assumed Contracts, the schedule of contracts to be rejected pursuant to the Reorganization Plan, and the Stockholders Agreement) and Exhibits to the Reorganization Plan and any amendments, modifications, and supplements thereto, and all documents and agreements introduced into evidence by the Reorganization Plan Debtors at the Confirmation Hearing (including all Exhibits and attachments thereto and documents referred to therein), and

the execution, delivery, and performance thereof by the Reorganization Plan Debtors, are authorized and approved.

4. Objections. All Objections that have not been withdrawn, waived, or settled, and all reservations of rights pertaining to confirmation of the Reorganization Plan included therein, are overruled on the merits for the reasons stated on the record of the Confirmation Hearing.

5. Omission of Reference to Particular Reorganization Plan Provisions. The failure to specifically describe or include any particular provision of the Reorganization Plan in this Confirmation Order shall not diminish or impair the effectiveness of such provision, it being the intent of this Court that the Reorganization Plan be approved and confirmed in its entirety.

6. Solicitation and Notice. Notice of the Confirmation Hearing complied with the terms of the Solicitation Order, was appropriate and satisfactory based on the circumstances of the Chapter 11 Cases of the Reorganization Plan Debtors, and was in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules. The solicitation of votes on the Reorganization Plan and the Solicitation Packages complied with the solicitation procedures in the Solicitation Order, were appropriate and satisfactory based upon the circumstances of the Chapter 11 Cases of the Reorganization Plan Debtors, and were in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules.

7. Plan Classification Controlling. The classification of Claims and Interests for purposes of the distributions to be made under the Reorganization Plan shall be governed solely by the terms of the Reorganization Plan. The classifications set forth on the Ballots tendered to or returned by the Reorganization Plan Debtors' creditors in connection with voting

on the Reorganization Plan (a) were set forth on the Ballots for purposes of voting to accept or reject the Reorganization Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Interests under the Reorganization Plan for distribution purposes, and (c) shall not be binding on the Reorganization Plan Debtors.

8. DIP Claims. On the Effective Date, the DIP Facility shall convert to (i) the First Out Exit Facilities in accordance with the terms and conditions set forth in the First Out Exit Term Sheet and (ii) the Second Out Exit Term Loan in accordance with the terms and conditions in the Second Out Exit Term Loan Agreement (and otherwise on terms and conditions satisfactory to the New Money Lenders), as applicable, or in each case, paid in full in Cash if the terms and conditions required for conversion under the applicable term sheet are not satisfied. All accrued and unpaid interest, fees (including, without limitation, all fees, charges and disbursements of counsels to the Consenting Lender, the DIP Agent and the New Money Lenders), letter of credit fees and commissions, premiums, expenses and indemnification amounts under the DIP Facility as of the Effective Date shall be paid in full in cash on the Effective Date. Upon compliance with the preceding sentence, all liens and security interests granted to secure the DIP Facility shall be deemed cancelled and shall be of no further force and effect and each Allowed DIP Claim shall be deemed to be fully satisfied, settled, released, and compromised.

9. 2012 Senior Credit Agreement Claims. All obligations and claims in respect of the 2012 Senior Credit Agreement shall be treated as follows: (i) all amounts owing under the 2012 Senior Credit Agreement on the Commencement Date plus the aggregate amount of any outstanding and unpaid "Reimbursement Obligations" incurred under (and as defined in)

the 2012 Senior Credit Agreement shall have become Roll-Up Loans pursuant to the DIP Order and the DIP Loan Agreement; (ii) all outstanding letters of credit under 2012 Senior Credit Agreement shall have become letters of credit deemed issued under the DIP Loan Agreement; and (iii) all accrued and unpaid interest, fees, letter of credit standby fees and commissions, premium, expenses, indemnification amounts and all other obligations arising under or relating to the 2012 Senior Credit Agreement shall have been paid in full in cash on or prior to the Second Effective Date (as defined in the DIP Loan Agreement).

10. Roll Up Loans. On the Effective Date, all Roll-Up Loans, outstanding letters of credit and any related obligations shall be converted into the First Out Exit Facilities in accordance with the First Out Exit Term Sheet so long as (and only so long as) the terms and conditions required for such conversion are satisfied in accordance with the provisions of the First Out Exit Term Sheet and otherwise such obligations shall be paid in full in Cash on the Effective Date; *provided, however*, that the Reorganization Plan Debtors may always elect to repay such obligations in full in Cash at any time prior to or after the Effective Date.

Notwithstanding that the scheduled final maturity of the Roll-Up Loans under the DIP Facility extends beyond the date that is 180 days after the Commencement Date, the commitment of the Consenting Lender under the Restructuring Support Agreement and the First Out Exit Term Sheet to provide the First Out Exit Term Loan shall terminate on the date that is 180 days after the Commencement Date.

11. Indenture Trustee Fees. Notwithstanding anything to the contrary in the Reorganization Plan, on the Effective Date, the Reorganized Debtors shall pay in Cash all accrued and unpaid fees and expenses incurred by the Indenture Trustee and its counsel through the Effective Date, without the need for the Indenture Trustee to file fee applications with the

Bankruptcy Court. The Indenture Trustee shall submit an invoice for all such fees and expenses to the Reorganized Debtors on or by the Effective Date (the Reorganization Plan Debtors shall provide notice to the Indenture Trustee with the estimated Effective Date once determined), who shall pay such invoice in full prior to any distribution on account of Allowed Class 3 Senior Noteholder Secured Claims, but not later than three (3) Business Days after the Effective Date. Upon payment of the Indenture Trustee's invoiced fees and expenses, the Indenture Trustee Charging Lien shall be released and discharged.

12. Compromise and Settlement of Claims, Interests, and Controversies.

Pursuant to sections 363 and 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided pursuant to the Reorganization Plan, the provisions of the Reorganization Plan shall constitute a good faith compromise of all Claims, Interests, and controversies relating to the contractual, legal, and subordination rights that a holder of a Claim may have with respect to any Allowed Claim or any distribution to be made on account of such Allowed Claim. The entry of this Confirmation Order constitutes this Court's approval of the compromise or settlement of all such Claims, Interests, and controversies, including without limitation, approval of the Restructuring Support Agreement, the FTC Claims Settlement and the 2011 Financing Settlement, as well as a finding by this Court that such compromise or settlement is in the best interests of the Reorganization Plan Debtors, their Estates, and holders of Claims and Interests and is fair, equitable, and reasonable. In accordance with the provisions of the Reorganization Plan, pursuant to sections 363 and 1123(b)(3) of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, prior to the Effective Date, the Reorganization Plan Debtors and after the Effective Date, the Reorganized Debtors, may

compromise and settle Claims against the Reorganization Plan Debtors or the Reorganized Debtors, as applicable, and Causes of Action against other Entities.

13. First Out Exit Facilities and Second Out Term Loan. On the Effective Date, subject to Section 2.4 of the Reorganization Plan and the terms and conditions of the First Out Exit Facilities and the Second Out Exit Term Loan Agreement as set forth in the Plan Supplement, the Reorganization Plan Debtors shall enter into (i) the First Out Exit Facilities to refinance the Roll-Up Loans and replace any letters of credit under the DIP Facility and (ii) the Second Out Exit Term Loan Agreement to refinance the New Money Loans outstanding under the DIP Facility; *provided, however*, that Reorganized RDA Holding shall have not more than \$106,000,000 in funded debt under its secured credit facilities immediately following the Effective Date. On the Effective Date, documentation evidencing the First Out Exit Facilities and the Second Out Exit Term Loan shall be executed and delivered, and the Reorganized Debtors shall be authorized to execute, deliver, and enter into and perform under the First Out Exit Facilities and the Second Out Exit Term Loan Agreement, and related loans documents thereto, without the need for any further corporate action and without further action by the holders of Claims or Interests. All Liens and security interests granted pursuant to the First Out Exit Facilities or the Second Out Exit Term Loan Agreement, and the related loans documents thereto, as applicable to (A) in the case of the First Out Exit Facilities, the Consenting Lender, the Roll-Up Lender and the Issuing Lender, and (B) in the case of the Second Out Exit Term Loan Agreement, the New Money Lenders, are intended to be, and shall be (i) valid, binding, perfected, enforceable, Liens, and security interests in the personal and real property described in and subject to such documents, with the priorities established in respect thereof under applicable

non-bankruptcy law and (ii) not subject to avoidance, recharacterization, or subordination under any applicable law.

14. Authorization and Issuance of Plan Securities. The Reorganization Plan Debtors or Reorganized RDA Holding and the other Reorganized Debtors, as applicable, are authorized to issue all plan-related securities and documents, including, without limitation, the New Common Stock and any options or entitlements to purchase such plan-related securities, without the need for any further corporate, partnership, or limited liability company action. On or prior to the Effective Date, Reorganized RDA Holding shall contribute the New Common Stock as a capital contribution to Reader's Digest in an amount equal to the shares of New Common Stock to be distributed in respect of Allowed Senior Noteholder Claims pursuant to Section 4.3 of the Reorganization Plan, which shares shall then be distributed pursuant to such section and the provisions herein. The issuance of all plan-related securities and documents, including, without limitation, the New Common Stock and any options or entitlements to purchase such plan-related securities by the Reorganization Plan Debtors or Reorganized RDA Holding and the other Reorganized Debtors, as applicable, is authorized without the need for further corporate action and all of the shares of New Common Stock and other securities issued pursuant to the Reorganization Plan shall be duly authorized, validly issued, fully paid and non-assessable.

15. Cancellation of Existing Securities and Agreements. Pursuant to Section 5.4 of the Reorganization Plan and in connection with the First Out Exit Facilities and the Second Out Exit Term Loan, all notes, instruments, certificates evidencing debt to or interests in, the Reorganization Plan Debtors, including, without limitation, the DIP Loan Agreement (only upon and following the effectiveness of the First Out Exit Facilities and the Second Out Exit

Loan Agreement or payment in full in cash), the 2012 Senior Credit Agreement, the Security Agreement, the Indenture, the 2011 Secured Term Loan, and the Unsecured Term Loan shall be cancelled and obligations of the Reorganization Plan Debtors thereunder shall be discharged; *provided, however*, that any and all indemnification obligations under the 2012 Senior Credit Agreement (including the indemnities provided in section 4.05 thereunder) shall survive as obligations under the DIP Loan Agreement; *provided, further*, that any and all indemnification obligations (and any other obligations surviving per their express terms) under the DIP Facility shall survive as obligations under the First Out Exit Term Loan or Second Out Exit Term Loan, as applicable, notwithstanding in each case the cancellation of the predecessor credit agreement(s); *provided, further*, that nothing herein shall be deemed to constitute a cancellation of any rights arising from or in connection with section 5.5 of the Security Agreement. The other provisions of Section 5.4 of the Reorganization Plan are approved and incorporated by reference herein. Notwithstanding this Confirmation Order or the occurrence of the Effective Date, the Indenture shall continue in effect solely for purposes of: (a) enabling holders of Allowed Senior Noteholder Secured Claims to receive distributions under the Reorganization Plan; and (b) allowing the Disbursing Agent to make post-Effective Date distributions under the Reorganization Plan; provided further, however, that nothing in Section 5.4 of the Reorganization Plan shall affect the discharge of Claims pursuant to the Bankruptcy Code, the Confirmation Order or the Reorganization Plan or result in any liability or expense to the Reorganized Debtors

16. Reorganized RDA Holding Board of Directors. Pursuant to Section 5.5 of the Reorganization Plan, upon and following the Effective Date, the New Board shall be a 7-member board comprised of the Chief Executive Officer and 6 directors designated by the

Required Consenting Secured Noteholders in consultation with the Chief Executive Officer. The members of the New Board have been identified in the Plan Supplement in accordance with section 1129(a)(5) of the Bankruptcy Code. On the Effective Date, the terms of the current members of the boards of directors of RDA Holding and Reader's Digest shall expire.

17. Directors and Officers of the Reorganized Debtor Affiliates. Except as otherwise provided in the Plan Supplement, the officers of the respective Reorganized Debtors immediately before the Effective Date shall serve as the initial officers of each of the respective Reorganized Debtors on or after the Effective Date and in accordance with any employment agreement with the Reorganized Debtors and applicable non-bankruptcy law. After the Effective Date, the selection of officers of the Reorganized Debtors shall be as provided by their respective organizational documents. Except as otherwise provided in the Plan Supplement, the members of the board of directors and the board of managing members for each of the Reorganized Plan Debtor Affiliates immediately before the Effective Date shall serve as the members of the board of directors and the board of managing members of each of the respective Reorganized Debtors on or after the Effective Date and thereafter shall be determined as set forth in their respective organizational documents; *provided, however*, the initial board of directors of Reader's Digest shall be comprised of the same members of the New Board of RDA Holding.

18. International Restructuring Transactions. Pursuant to Section 5.6 of the Reorganization Plan, except as otherwise provided in the Reorganization Plan, on or after the Effective Date, the Reorganized Debtors with the concurrence of the New Board shall implement the International Restructuring Transactions and the Reorganized Debtors are authorized to take all actions as may be necessary or appropriate in connection therewith.

19. Other Transactions. In the discretion of the Reorganization Plan Debtors, whether prior to or after the Effective Date, the Reorganization Plan Debtors may (a) cause any or all of the Debtor Affiliates to be liquidated or merged into one or more of the other Debtor Affiliates or any other subsidiaries of the Reorganization Plan Debtors or dissolved all as more specifically described in the Plan Supplement, (b) cause the transfer of assets between or among the Debtor Affiliates, (c) cause any or all of the Amended Organizational Documents of any Reorganized Debtor Affiliates to be implemented, effected, or executed, (d) use the proceeds of the First Out Exit Term Loan and Second Out Exit Term Loan, plus Cash on hand, to pay all Restructuring Expenses, (e) change the name of one or more of the Reorganized Debtors to such name that may be determined in accordance with applicable law, and (f) engage in any other transaction in furtherance of the Reorganization Plan. Subject to the prior written consent of the Required Consenting Secured Parties, any such transactions may be effective as of the Effective Date pursuant to this Confirmation Order without any further action by the stockholders, members, general or limited partners, or directors of any of the Reorganization Plan Debtors or the Reorganization Plan Debtors in Possession.

20. Cancellation of Liens. Except as otherwise specifically provided in the Reorganization Plan with respect to Class 2 (Other Secured Claims), upon the occurrence of the Effective Date, any Lien securing any Secured Claim shall be deemed released, and the holder of such Secured Claim shall be authorized and directed to release any collateral or other property of the Reorganization Plan Debtors (including any Cash collateral) held by such holder and to take such actions as may be requested by the Reorganized Debtors, to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Reorganized Debtors.

21. Management Incentive Program. The Management Incentive Program may be established and implemented solely at the discretion of the New Board and communicated to the participants, if established by the New Board, promptly thereafter. The Reorganization Plan Debtors are not seeking approval of the Management Incentive Plan pursuant to the Plan of Reorganization.

22. Employee Matters. On or after the Effective Date, solely at the discretion of the New Board, the Reorganized Debtors may implement the following employee incentive programs: (i) the Pension Credit and (ii) the Employee Bonus Pool.

23. Exemption from Certain Transfer Taxes. Pursuant to section 1146 of the Bankruptcy Code, (a) the issuance, transfer or exchange of any securities, instruments or documents, (b) the creation of any Lien, mortgage, deed of trust or other security interest, (c) the making or assignment of any lease or sublease or the making or delivery of any deed or other instrument of transfer under, pursuant to, in furtherance of, or in connection with this Reorganization Plan, including, without limitation, any deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under this Reorganization Plan or the reinvesting, transfer or sale of any real or personal property of the Reorganization Plan Debtors pursuant to, in implementation of or as contemplated in this Reorganization Plan (whether to one or more of the Reorganized Debtors or otherwise), (d) the grant of collateral under the First Out Exit Term Loan Agreement or the Second Out Exit Term Loan Agreement and (e) the issuance, renewal, modification or securing of indebtedness by such means, and the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Reorganization Plan, including, without limitation, this Confirmation Order, shall not be subject to any document recording tax, stamp tax, conveyance

fee or other similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, sales tax, use tax or other similar tax or governmental assessment. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental unit in which any instrument hereunder is to be recorded shall, pursuant to this Confirmation Order, be ordered and directed to accept such instrument without requiring the payment of any filing fees, documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

24. Effectuating Documents; Further Transactions. The Reorganized Debtors and the managers, officers and members of the boards of directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Reorganization Plan and the securities issued pursuant to the Reorganization Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Reorganization Plan.

25. Sweepstakes Claims. On and after the Effective Date, the Reorganized Debtors shall continue to pay and otherwise satisfy and honor all Claims arising out of or relating to any sweepstakes or contests organized, conducted, offered or otherwise held by the Reorganization Plan Debtors in the ordinary course of business (collectively, “**Sweepstakes Claims**”) in the ordinary course of business without further order of the Bankruptcy Court. All proofs of claim filed on account of Sweepstakes Claims shall be deemed withdrawn as of the Effective Date without any further action and the Claims and Noticing Agent is hereby authorized on the Effective Date to reflect such withdrawal on the official claims register.

26. Closing of Chapter 11 Cases. After an Estate has been fully administered, the Reorganized Debtors shall promptly seek authority from the Bankruptcy Court to close each applicable Chapter 11 Case of the Reorganization Plan Debtors in accordance with the Bankruptcy Code and Bankruptcy Rules.

27. Distributions Under the Reorganization Plan. The provisions of Section 6 of the Reorganization Plan, including, without limitation, the provisions governing distributions, are fair and reasonable and are approved, and distributions shall be made directly by the Disbursing Agent to holders of Senior Noteholder Secured Claims, and not the Indenture Trustee. Notwithstanding anything to the contrary in the Reorganization Plan, the Indenture Trustee shall not serve as Disbursing Agent for the Senior Noteholder Secured Claims. The Indenture Trustee shall, if and to the extent requested by the Reorganized Debtors, assist the Reorganized Debtors in making post-Effective Date distributions to holders of Allowed Class 3 (Senior Noteholder Secured Claims) under the Reorganization Plan by providing to the Reorganized Debtors or The Depository Trust Company (“DTC”), if applicable, the information and documentation necessary to effectuate the disbursement requested by the Reorganized Debtors, provided that the Reorganized Debtors shall pay within ten (10) Business Days of the presentation of invoices any fees and expenses, up to an aggregate cap of \$25,000, of the Indenture Trustee and its counsel incurred in providing such post-Effective Date assistance, *provided, further*, that to the extent the Reorganized Debtors request the Indenture Trustee to perform any post-Effective Date services that exceeds the \$25,000 aggregate cap, the Indenture Trustee, prior to performing such services, will receive confirmation that the Reorganized Debtors will pay reasonable fees and expenses for such services. The Reorganized Debtors, as Disbursing Agent, shall be entitled to provide distribution information directly to DTC, if

applicable, including the notice to holders of Senior Noteholder Secured Claims with respect to distributions under the Reorganization Plan, and DTC is instructed to rely solely on such notice and other information provided by the Disbursing Agent for the purpose of making distributions to holders of Senior Noteholder Secured Claims. All New Common Stock issued pursuant to the Reorganization Plan shall be governed by, and subject to, the terms of the Stockholders Agreement, whether or not a holder of New Common Stock has executed the Stockholders Agreement.

28. Disputed Claims. The provisions of Section 7 of the Reorganization Plan, including, without limitation, the provisions governing procedures for resolving Disputed Claims, are fair and reasonable and are approved.

29. Objections to Claims. As of the Effective Date, objections to, and requests for estimation of, Claims against the Reorganization Plan Debtors may be interposed and prosecuted only by the Reorganized Debtors subject to the conditions and rights of the Claims Oversight Committee set forth in Section 7.9 of the Reorganization Plan. Such objections and requests for estimation shall be served and filed (a) on or before the 180th day following the later of (i) the Effective Date and (ii) the date that a proof of Claim is filed or amended or a Claim is otherwise asserted or amended in writing by or on behalf of a holder of such Claim, or (b) such later date as ordered by the Bankruptcy Court upon motion filed by the Reorganized Debtors.

30. Resolutions of Claims. Subject to the conditions and rights of the Claims Oversight Committee set forth in Section 7.9 of the Reorganization Plan, on and after the Effective Date, the Reorganized Debtors shall have the authority to compromise, settle,

otherwise resolve or withdraw any objections to Claims, and to compromise, settle or otherwise resolve any Disputed Claims without approval of the Bankruptcy Court.

31. Claims Oversight Procedures. Notwithstanding anything herein to the contrary, the Reorganized Debtors shall consult in good faith with the Claims Oversight Committee prior to settling, compromising or allowing (a) any Claim against any of the Reorganization Plan Debtors in a liquidated amount in excess of \$500,000 (including any Claim originally scheduled or filed in an unliquidated amount), (b) any Claim filed in the Chapter 11 Cases against any of the Reorganization Plan Debtors that has a positive variance, if scheduled, of more than \$50,000 to the corresponding Claim as identified on the Reorganization Plan Debtors' Schedules, or (c) any Non-Debtor Intercompany Claims to the extent such Non-Debtor Intercompany Claims are to be treated as Class 4 General Unsecured Claims for distribution purposes (collectively, "**Oversight Claims**"). The Reorganized Debtors shall notify the Claims Oversight Committee prior to entering into any settlement or compromise of any Oversight Claims. The Claims Oversight Committee shall have a period of three (3) Business Days after receipt of such notice to review the proposed settlement or compromise and notify the Reorganized Debtors of objections, if any, to the proposed settlement or compromise of such Oversight Claims. Thereafter, the Claims Oversight Committee shall have ten (10) Business Days after providing notice to the Reorganized Debtors of any objections to file a motion with the Bankruptcy Court objecting to the proposed settlement or compromise of the Oversight Claims. In the event the Claims Oversight Committee fails to timely file an objection with the Bankruptcy Court within the proscribed ten (10) Business Day period, the Reorganized Debtors shall be authorized to enter into the settlement or compromise without further order of the Bankruptcy Court.

32. General Treatment of Executory Contracts and Unexpired Lease. All executory contracts and unexpired leases to which any of the Reorganization Plan Debtors are parties are hereby rejected, except for an executory contract or unexpired lease that (a) previously has been assumed or rejected pursuant to Final Order of the Bankruptcy Court, (b) is specifically designated by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) as a contract or lease to be assumed on the Schedule of Assumed Contracts filed with the Plan Supplement, (c) is otherwise expressly assumed pursuant to the Reorganization Plan, including without limitation, pursuant to Sections 8.4, 8.5, 8.6 and 8.7 of the Reorganization Plan, or (d) is the subject of a separate (i) assumption motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) or (ii) rejection motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) under section 365 of the Bankruptcy Code before the Confirmation Date.

33. Payments Related to Assumption of Contracts and Leases. Any monetary amounts by which any executory contract and unexpired lease to be assumed pursuant to the Reorganization Plan is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Reorganization Plan Debtors upon assumption thereof. Any objection by a counterparty to a proposed assumption of an executory contract or unexpired lease or amount of any Cure must be filed, served, and actually received by the Reorganization Plan Debtors on or before ten (10) days of notice of assumption by the Reorganization Plan applicable to the Reorganization Plan Debtor that is the counterparty to the executory contract or unexpired lease. Any counterparty to an executory contract or unexpired lease that fails to object timely to the proposed assumption and assignment of such executory contract or unexpired lease or such Cure

amount will be deemed to have assented to such matters and shall be forever barred, stopped and enjoined from asserting such objection against the Reorganization Plan Debtors. If there is a dispute regarding (a) the nature or amount of any Cure, (b) the ability of the Reorganization Plan Debtors or any assignee to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed or (c) any other matter pertaining to assumption, Cure shall occur following the entry of a Final Order of the Bankruptcy Court resolving the dispute and approving the assumption or assumption and assignment, as the case may be; *provided, that* before the Effective Date, the Reorganization Plan Debtors or the Reorganized Debtors, as applicable (with the reasonable consent of the Required Consenting Secured Parties), may settle any dispute regarding the nature or amount of Cure without any further notice to any party or any action, order or approval of the Bankruptcy Court. If there is a dispute as referred to above, the Reorganization Plan Debtors reserve the right to reject, or nullify the assumption or assignment of any executory contract or unexpired lease no later than 30 days after a Final Order determining the Cure, any request for adequate assurance of future performance required to assume and assign such executory contract or unexpired lease, and any other matter pertaining to assumption and/or assignment. Any disputes with respect to the assumption of any executory contract or unexpired lease that have not otherwise been resolved by the Reorganization Plan Debtors, including with respect to any disputed cure amounts, shall be addressed at the hearing scheduled before the Bankruptcy Court for July 26, 2013 at 11:00 a.m. (Eastern Time). Assumption and assignment of any executory contract or unexpired lease pursuant to the Reorganization Plan, or otherwise, shall result in the full release and satisfaction of any claims or defaults, subject to satisfaction of the Cure, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership

interest composition or other bankruptcy-related defaults, arising under any assumed executory contract or unexpired lease at any time before the effective date of assumption and/or assignment. Any proofs of claim filed with respect to an executory contract or unexpired lease that has been assumed shall be deemed disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court or any other entity

34. Rejection of Executory Contracts and Unexpired Leases All prepetition executory contracts and unexpired leases to which any of the Reorganization Plan Debtors are parties are hereby rejected (including any executory contracts and unexpired leases scheduled for rejection in the Plan Supplement), except for an executory contract or unexpired lease that (a) previously has been assumed or rejected pursuant to Final Order of this Court, (b) is specifically designated by the Reorganization Plan Debtors as a contract or lease to be assumed on the Schedule of Assumed Contracts filed with the Plan Supplement, (c) is otherwise expressly assumed pursuant to the Reorganization Plan, including without limitation, pursuant to Sections 8.4, 8.5, 8.6 and 8.7 of the Reorganization Plan, or (d) is the subject of a separate (i) assumption motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) or (ii) rejection motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) under section 365 of the Bankruptcy Code before the Confirmation Date.

35. Bar Date for Filing Proofs of Claim Relating to Executory Contracts and Unexpired Leases Rejected Pursuant to the Reorganization Plan. In the event that the rejection of an executory contract or unexpired lease by any of the Reorganization Plan Debtors pursuant to the Reorganization Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a timely filed proof of claim,

shall be forever barred and shall not be enforceable against the Reorganization Plan Debtors or the Reorganized Debtors, or their respective properties or interests in property as agents, successors or assigns, unless a proof of claim is filed with the Court and served upon counsel for the Reorganization Plan Debtors and the Reorganized Debtors no later than thirty (30) days after the later of (1) the Notice of Effective Date (as herein defined) or (2) the effective date of rejection of such executory contract or unexpired lease. Any such Claims, to the extent Allowed, shall be classified as Class 4 (General Unsecured Claims).

36. Survival of the Reorganization Plan Debtors' Indemnification Obligations.

Except to the extent listed in the Plan Supplement as parties expressly excluded from the definitions of Exculpated Parties and Released Parties as such terms are defined in the Reorganization Plan, any obligations of the Reorganization Plan Debtors pursuant to their corporate charters, bylaws, limited liability company agreements, other organizational documents, employment agreements or other agreements to indemnify current and former officers, directors, agents, and/or employees with respect to all present and future actions, suits, and proceedings against the Reorganization Plan Debtors or such directors, officers, agents, and/or employees, based upon any act or omission for or on behalf of the Reorganization Plan Debtors shall not be discharged or impaired by confirmation of the Reorganization Plan provided that the Reorganized Debtors shall not indemnify directors of the Reorganization Plan Debtors for any Claims or Causes of Action arising out of or relating to any act or omission that is a criminal act or constitutes intentional fraud. All such obligations shall be deemed and treated as executory contracts to be assumed by the Reorganization Plan Debtors under the Reorganization Plan and shall continue as obligations of the Reorganized Debtors unless any such obligation otherwise is specifically rejected pursuant to a separate order of the Court or is the subject of a

separate rejection motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) in accordance with Section 8.1 of the Reorganization Plan. Any claim based on the Reorganization Plan Debtors' obligations in the Reorganization Plan shall not be a Disputed Claim or subject to any objection in either case by reason of section 502(e)(1)(B) of the Bankruptcy Code. For the avoidance of doubt, (i) any and all indemnities provided under the 2012 Senior Credit Agreement (including the indemnities provided in section 4.05 thereunder) shall survive as obligations under the DIP Loan Agreement, and (ii) any and all indemnities (and other obligations surviving per their express terms thereunder) provided under the DIP Facility shall survive as obligations under the First Out Exit Term Loan or Second Out Exit Term Loan Agreement, as applicable, notwithstanding in each case the cancellation of the predecessor credit agreement(s).

37. Compensation and Benefit Plans. Except as otherwise provided in the Reorganization Plan or otherwise rejected by the Reorganization Plan Debtors, all material employee compensation and Benefit Plans of the Reorganization Plan Debtors in effect as of the Effective Date shall be deemed to be, and shall be treated as if they were, executory contracts that are to be assumed under the Reorganization Plan. Pursuant to the Reorganization Plan, Reorganized Reader's Digest shall assume the Pension Plan on the Effective Date; *provided, however,* that notwithstanding the foregoing, the Executive Severance Plan shall not be assumed by the Reorganization Plan Debtors and shall be rejected in accordance with section 8.1 of the Reorganization Plan. The Pension Plan shall be continued in accordance with, and subject to, its terms, and Reorganized Reader's Digest shall satisfy the minimum funding standards pursuant to 26 U.S.C. §§ 412 and 430 and 29 U.S.C. §§ 1082 and 1083, be liable for the payment of PBGC premiums in accordance with Title IV of ERISA, subject to any and all applicable rights and

defenses of the Reorganized Debtors, and administer the Pension Plan in accordance with the provisions of ERISA and the Internal Revenue Code. Notwithstanding any provision of the Reorganization Plan or this Confirmation Order to the contrary, the Pension Plan shall be continued and administered in accordance with, and subject to, its terms and ERISA and the Internal Revenue Code. All claims related to the Pension Plan and all proofs of claim filed on account thereof shall be deemed withdrawn as of the Effective Date without any further action. The Management Incentive Program shall not be implemented under the Reorganization Plan but shall be implemented by the New Board in its discretion.

38. Insurance Policies. All insurance policies pursuant to which the Reorganization Plan Debtors have any obligations in effect as of the date of this Confirmation Order shall be deemed and treated as executory contracts pursuant to the Reorganization Plan and shall be assumed by the respective Reorganization Plan Debtors and Reorganized Debtors and shall continue in full force and effect. All other insurance policies shall revert in the Reorganized Debtors. Notwithstanding any other term or provision in the Reorganization Plan or this Confirmation Order, nothing in the Reorganization Plan or this Confirmation Order (i) will prejudice any of the rights, claims or defenses of the Reorganization Plan Debtors' insurers (the "**Insurers**") under any insurance policies under which the Reorganization Plan Debtors seek coverage (the "**Policies**") and any agreements related to the Policies (together, with the Policies, the "**Insurance Agreements**"); (ii) will modify any of the terms, conditions, limitations and/or exclusions contained in the Insurance Agreements which shall remain in full force and effect; (iii) shall be deemed to create any insurance coverage that does not otherwise exist, if at all, under the terms of the Insurance Agreements, or create any right of action against the Insurers that does not otherwise exist under applicable non-bankruptcy law; (iv) shall be deemed to

prejudice any of the Insurers' rights and/or defenses in any pending or subsequent litigation in which the Insurers or Reorganization Plan Debtors may seek any declaration regarding the nature and/or extent of any insurance coverage under the Insurance Agreements; (v) shall be deemed to alter the continuing duties and obligations of any insured under the Insurance Agreements; or (vi) shall be construed as an acknowledgement that the Insurance Agreements cover or otherwise apply to any claims or that any claims are eligible for payment under any of the Insurance Agreements.

39. Intellectual Property Licenses and Agreements. Subject to Section 8.1 of the Reorganization Plan, all intellectual property contracts, licenses, royalties, or other similar agreements to which the Reorganization Plan Debtors have any rights or obligations in effect as of the date of this Confirmation Order shall be deemed and treated as executory contracts pursuant to the Reorganization Plan and are hereby assumed by the respective Reorganization Plan Debtors and Reorganized Debtors and shall continue in full force and effect unless any such intellectual property contract, license, royalty, or other similar agreement otherwise is specifically rejected pursuant to a separate order of the Bankruptcy Court (which order of the Bankruptcy may be this Confirmation Order) or is the subject of a separate rejection motion filed by the Reorganization Plan Debtors (with the reasonable consent of the Required Consenting Secured Parties) in accordance with Section 8.1 of the Reorganization Plan. Unless otherwise noted in the Reorganization Plan, all other intellectual property contracts, licenses, royalties, or other similar agreements shall revert in the Reorganized Debtors and the Reorganized Debtors may take all actions as may be necessary or appropriate to ensure such reversion as contemplated in the Reorganization Plan.

40. Return of Deposits. Pursuant to the Court's *Final Order Pursuant to 11 U.S.C. §§ 105(a) and 366 (i) Approving Debtors' Proposed Form of Adequate Assurance of Payment to Utilities, (ii) Establishing Procedures for Resolving Objections by Utility Companies, and (iii) Prohibiting Utilities from Altering, Refusing, or Discontinuing Service* (ECF No. 175) (the "**Utilities Order**"), on the Effective Date, the Reorganization Plan Debtors are authorized to release any and all funds deposited into any segregated accounts maintained for the benefit of any utility companies pursuant to the Utilities Order. All utilities, including any Person who received a deposit or other form of adequate assurance of performance pursuant to section 366 of the Bankruptcy Code during these Chapter 11 Cases (collectively, the "**Deposits**"), including, without limitation, gas, electric, telephone, trash and sewer services, shall return such Deposits to the Reorganization Plan Debtors and/or the Reorganized Debtors, as applicable, either by setoff against postpetition indebtedness or by cash refund, by no later than ten (10) days following the Effective Date, and, as of the Effective Date, such utilities are not entitled to make requests for or receive Deposits.

41. Conditions Precedent to Confirmation. The conditions precedent to Confirmation set forth in Section 9.1 of the Reorganization have either occurred or been waived by the Reorganization Plan Debtors together with the prior written consent of the Required Consenting Secured Parties.

42. Subordinated Claims. The allowance, classification, and treatment of all Allowed Claims and Interests and the respective distributions and treatments under the Reorganization Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto (including all rights under the Security Agreement), whether

arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganization Plan Debtors' rights are reserved to re-classify any Allowed Claim or Interest in accordance with any contractual, legal or equitable subordination relating thereto.

43. Vesting of Assets. On the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all property of the Reorganization Plan Debtors' Estates, including without limitation, the intellectual property licenses and other agreements set forth in Section 8.7 of the Reorganization Plan, shall vest in the Reorganized Debtors free and clear of all Claims, liens, encumbrances, charges and other interests, except as provided pursuant to the Reorganization Plan, this Confirmation Order, the First Out Exit Term Loan Agreement, or the Second Out Exit Term Loan Agreement. The Reorganized Debtors may operate their businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided in the Reorganization Plan.

44. Discharge of Claims and Termination of Interests. Except as otherwise provided in the Reorganization Plan, effective as of the Effective Date: (a) the rights afforded in the Reorganization Plan and the treatment of all claims and interests shall be in exchange for and in complete satisfaction, discharge, and release of all claims and interests of any nature whatsoever (including any FTC Claims), including any interest accrued on such claims from and after the Commencement Date, against the Reorganization Plan Debtors or any of their assets, property or estates; (b) the Reorganization Plan shall bind all holders of claims and interests, notwithstanding whether any such holders failed to vote to accept or reject the Reorganization Plan or voted to reject the Reorganization Plan; (c) all claims and interests shall be satisfied,

discharged, and released in full, including without limitation, any FTC Claims, and the Reorganization Plan Debtors' liability with respect thereto shall be extinguished completely, including any liability of the kind specified under section 502(g) of the Bankruptcy Code; and (d) all entities shall be precluded from asserting against the Reorganization Plan Debtors, the Reorganization Plan Debtors' Estates, the Reorganized Debtors, their successors and assigns and their assets and properties any other claims or interests based upon any documents, instruments or any act or omission, transaction or other activity of any kind or nature that occurred before the Effective Date.

45. Term of Injunctions or Stays. Unless otherwise provided in the Reorganization Plan, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of all of the Chapter 11 Cases of the Reorganization Plan Debtors.

46. Injunction Against Interference with Reorganization Plan. From and after the Effective Date, all entities are permanently enjoined from commencing or continuing in any manner, any suit, action or other proceeding, on account of or respecting any claim, demand, liability, obligation, debt, right, cause of action, interest or remedy released or to be released pursuant to the Reorganization Plan or this Confirmation Order.

47. Releases by the Reorganization Plan Debtors. As of the Effective Date, except for the right to enforce the Reorganization Plan and the Definitive Documents that remain in effect after the Effective Date, for good and valuable consideration, including the services of the Released Parties to facilitate the reorganization of the Reorganization Plan Debtors and the implementation of the restructuring contemplated by the Reorganization Plan, on and after the

Effective Date, the Released Parties are deemed released and discharged by the Reorganization Plan Debtors, the Reorganized Debtors, and the Estates from any and all Claims, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the Reorganization Plan Debtors, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity or otherwise, that the Reorganization Plan Debtors, the Reorganized Debtors, the Estates or their affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Reorganization Plan Debtors, the Chapter 11 Cases of the Reorganization Plan Debtors, the purchase, sale or rescission of the purchase or sale of any security of the Reorganization Plan Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Reorganization Plan, the business or contractual arrangements between any Reorganization Plan Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases of the Reorganization Plan Debtors, the negotiation, formulation or preparation of the Reorganization Plan, or related agreements, instruments or other documents, the solicitation of votes with respect to the Reorganization Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or Causes of Action arising out of or relating to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud; *provided, however,* that nothing in the Reorganization Plan shall limit the liability of professionals to their clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009).

48. Releases by Holders of Claims and Interests. As of the Effective Date, except for the right to enforce the Reorganization Plan and the Definitive Documents that remain in effect after the Effective Date and the indemnification obligations that survive the Effective Date, each holder of a Claim or an Interest shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the Reorganization Plan Debtors, the Reorganized Debtors and the Released Parties from any and all Claims, Interests, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative Claims asserted on behalf of a Reorganization Plan Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Reorganization Plan Debtors, the Reorganization Plan Debtors' restructuring, the Chapter 11 Cases of the Reorganization Plan Debtors, the purchase, sale or rescission of the purchase or sale of any security of the Reorganization Plan Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Reorganization Plan, the business or contractual arrangements between any Reorganization Plan Debtor and any Released Party, the restructuring of Claims and Interests before or during the Chapter 11 Cases of the Reorganization Plan Debtors, the negotiation, formulation or preparation of the Reorganization Plan, or related agreements, instruments or other documents, the solicitation of votes with respect to the Reorganization Plan, upon any other act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date, other than Claims or Causes of Action arising out of or relating to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud; *provided, however*, that

nothing in the Reorganization Plan shall be deemed to constitute a release or waiver by the Consenting Lender, the Administrative Agent or the Consenting Secured Noteholders of any rights arising from or in connection with section 5.5 of the Security Agreement; *provided further, however*, that nothing in the Reorganization Plan shall limit the liability of professionals to their clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009). No Person shall be discharged, released or relieved from any liability arising under ERISA or the Internal Revenue Code solely with respect to the Pension Plan as a result of the Chapter 11 Cases or the Reorganization Plan, nor shall the PBGC, the Pension Plan or any other Person be enjoined or precluded from enforcing any liability arising under ERISA or the Internal Revenue Code solely with respect to the Pension Plan as a result of the Chapter 11 Cases, the Reorganization Plan's provisions or the Reorganization Plan's Confirmation.

49. Exculpation. No Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from any claim, obligation, cause of action or liability for any claim in connection with or arising out of, the administration of the Chapter 11 Cases, the negotiation and pursuit of the Reorganization Plan, or the solicitation of votes for, or confirmation of, the Reorganization Plan, the funding of the Reorganization Plan, the consummation of the Reorganization Plan, or the administration of the Reorganization Plan or the property to be distributed under the Reorganization Plan, or any other transaction contemplated by the foregoing, except for willful misconduct or gross negligence, but in all respects such entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Reorganization Plan. The Reorganization Plan Debtors, the Reorganized Debtors, the Creditors Committee, the DIP Lenders, the DIP Agent, the Administrative Agent, the Senior Credit Agreement Lenders, the Consenting Lender, the

Consenting Secured Noteholders, the Indenture Trustee, the Unsecured Administrative Agent, the 2011 Secured Administrative Agent, the Unsecured Lenders, and the 2011 Secured Lenders (and, to the extent not identified on Exhibit 9 of the Plan Supplement as parties expressly excluded from the definition of Exculpated Parties, each of their respective affiliates, agents, directors, officers, employees, advisors and attorneys), to the extent applicable, have participated in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the securities pursuant to the Reorganization Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Reorganization Plan or such distributions made pursuant to the Reorganization Plan, including the issuance of securities thereunder; *provided, however*, that nothing in the Reorganization Plan shall be deemed to constitute a release or waiver by the Consenting Lender, the Administrative Agent or the Consenting Secured Noteholders of any rights arising from or in connection with section 5.5 of the Security Agreement; *provided, further however*, that nothing in the Reorganization Plan shall limit the liability of professionals to their clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009). No Person shall be discharged, released or relieved from any liability arising under ERISA or the Internal Revenue Code solely with respect to the Pension Plan as a result of the Chapter 11 Cases or the Reorganization Plan, nor shall the PBGC, the Pension Plan or any other Person be enjoined or precluded from enforcing any liability arising under ERISA or the Internal Revenue Code solely with respect to the Pension Plan as a result of the Chapter 11 Cases, the Reorganization Plan's provisions or the Reorganization Plan's Confirmation.

50. Individuals to Be Excluded From Released Parties and Exculpated Parties.

For the avoidance of doubt, each party identified on Exhibit 9 of the Plan Supplement as a party expressly excluded from the definitions of Released Parties and Exculpated Parties, as such terms are defined in the Reorganization Plan, shall not receive any discharge, release or exculpation from the Reorganization Plan Debtors or any other parties, including the Exculpated Parties and the Released Parties, under the Reorganization Plan, including without limitation, pursuant to Sections 10.6, 10.7 and 10.8 of the Reorganization Plan, the Confirmation Order or otherwise.

51. Retention of Causes of Action/Reservation of Rights.

(i) Except as otherwise provided in the Reorganization Plan, including Sections 10.6, 10.7, 10.8 and 10.9, pursuant to section 1123(b) of the Bankruptcy Code, the Reorganized Debtors shall retain and may enforce, sue on, settle or compromise (or decline to do any of the foregoing) all claims, rights, causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Reorganization Plan Debtors or their Estates may hold against any person or entity without the approval of the Court, including, without limitation, (i) any and all Claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim and/or Claim for setoff which seeks affirmative relief against the Reorganization Plan Debtors, the Reorganized Debtors, their officers, directors or representatives; and (ii) the turnover of any property of the Reorganization Plan Debtors' estates; *provided, however* that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties (other than Claims or Causes of Action arising out of or relating to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, which Claims or Causes of Action are hereby preserved). The Reorganized Debtors or their

successor(s) may pursue such retained claims, rights, or causes of action, suits or proceedings, as appropriate, in accordance with the best interests of the Reorganized Debtors or their successor(s) who hold such rights.

(ii) Except as otherwise provided in the Reorganization Plan, including Sections 10.6, 10.7, 10.8 and 10.9, nothing contained in the Reorganization Plan or in the Confirmation Order shall be deemed to be a waiver or relinquishment of any Claim, Cause of Action, right of setoff or other legal or equitable defense which the Reorganization Plan Debtors had immediately before the Commencement Date, against or with respect to any Claim left Unimpaired by the Reorganization Plan; *provided, however* that the Reorganized Debtors shall not retain any Claims or Causes of Action against the Released Parties (other than Claims or Causes of Action arising out of or relating to any act or omission of a Released Party that is a criminal act or constitutes intentional fraud, which Claims or Causes of Action are hereby preserved). The Reorganized Debtors shall have, retain, reserve and be entitled to assert all such claims, Causes of Action, rights of setoff and other legal or equitable defenses which they had immediately before the Commencement Date with respect to any Claim left Unimpaired by the Reorganization Plan as if the Chapter 11 Cases had not been commenced, and all of the Reorganized Debtors' legal and equitable rights respecting any Claim left Unimpaired by the Reorganization Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Cases had not been commenced.

52. Solicitation of the Reorganization Plan. The Reorganization Plan Debtors have solicited acceptances of the Reorganization Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, including without limitation, sections 1125(a) and (e) of the Bankruptcy Code, and any applicable non-bankruptcy law, rule or regulation governing

the adequacy of disclosure in connection with such solicitation. The Reorganization Plan Debtors and each of their respective directors, officers, employees, affiliates, agents, financial advisors, investment bankers, professionals, accountants, and attorneys have participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code in the offer and issuance of any securities under the Reorganization Plan, and therefore are not, and on account of such offer, issuance and solicitation will not be, liable at any time for any violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Reorganization Plan or the offer and issuance of any securities under the Reorganization Plan.

53. Section 1145 Exemption. The issuance of and the distribution under the Reorganization Plan of the New Common Stock to the holders of Senior Noteholder Claims under Section 4.3 of the Reorganization Plan shall be exempt from registration under the Securities Act of 1933 or applicable securities laws without further act or action by any Person pursuant to section 1145(a) of the Bankruptcy Code. In addition, under section 1145 of the Bankruptcy Code, any securities issued under the Reorganization Plan which are exempt from such registration pursuant to section 1145(a) of the Bankruptcy Code will be freely tradable by the recipients thereof, subject to (1) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act of 1933; (2) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments; (3) the restrictions, if any, on the transferability of such securities and instruments; and (4) applicable regulatory approval.

54. Corporate and Limited Liability Company Action. Upon the Effective Date, all actions contemplated by the Reorganization Plan shall be deemed authorized and

approved, including pursuant to section 1142(b) of the Bankruptcy Code, section 303 of the Delaware General Corporation Law, as applicable, and any comparable provision of the business corporation laws of any other state, in all respects, including (a) the assumption of all employee compensation and Benefit Plans of the Reorganization Plan Debtors as provided in the Reorganization Plan, (b) the selection of the managers, directors, and officers for the Reorganized Debtors, (c) the distribution of the New Common Stock, (d) the entry into the First Out Exit Facilities and the Second Out Exit Term Loan Agreement, (e) the approval of the Restructuring Support Agreement, and (f) all other actions contemplated by the Reorganization Plan (whether to occur before, on or after the Effective Date), in each case in accordance with and subject to the terms of the Reorganization Plan. All matters provided for in the Reorganization Plan involving the corporate or limited liability company structure of the Reorganization Plan Debtors or the Reorganized Debtors, and any corporate or limited liability company action required by the Reorganization Plan Debtors or the Reorganized Debtors in connection with the Reorganization Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers or officers of the Reorganization Plan Debtors or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Reorganization Plan Debtors or the Reorganized Debtors, as applicable, shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Reorganization Plan (or necessary or desirable to effect the transactions contemplated by the Reorganization Plan) in the name of and on behalf of the Reorganized Debtors, including (w) the Amended Organizational Documents, (x) the First Out Exit Facilities, (y) the Second Out Exit Term Loan Agreement, and (z) any and all other agreements, documents, securities and instruments relating to the foregoing.

The authorizations and approvals contemplated by Section 10.13 of the Reorganization Plan shall be effective notwithstanding any requirements under non-bankruptcy law.

55. Dissolution of the Creditors' Committee. On the Effective Date, the Creditors Committee shall dissolve, and the members thereof shall be released and discharged from all rights and duties arising from, or related to, the Chapter 11 Cases; *provided, however,* that after the Effective Date, the Creditors Committee shall exist and its professionals shall continue to be retained and shall continue to be entitled to reasonable compensation from the Reorganized Debtors without the need for further application to the Bankruptcy Court with respect to (a) all applications filed pursuant to sections 330 and 331 of the Bankruptcy Code and any related hearings; and (b) pending appeals of the Confirmation Order; *provided further, however,* that the Bankruptcy Court shall retain jurisdiction with respect to any disputes over the reasonableness of fees.

56. Governmental Approvals Not Required. Except as otherwise expressly provided in this Confirmation Order, this Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Reorganization Plan and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Reorganization Plan, the Disclosure Statement, and any documents, instruments, or agreements, and any amendments or modifications thereto. Each federal, state, commonwealth, local, foreign, or other governmental agency is directed and authorized to accept the validity of (a) any and all documents, trust agreements, mortgages, and instruments and (b) all actions of the Reorganization Plan Debtors that are necessary or appropriate to effectuate, implement, or

consummate the transactions contemplated by the Reorganization Plan, this Confirmation Order, and the agreements created or contemplated by the Reorganization Plan or this Confirmation Order, without payment of any recording tax, stamp tax, transfer tax, or similar tax imposed by state or local law.

57. Notice of Entry of Confirmation Order and Effective Date. On or before the fourteenth (14th) day following the date of entry of this Confirmation Order, the Reorganization Plan Debtors, shall serve notice of entry of this Confirmation Order (which may be combined with the Notice of the Effective Date) pursuant to Bankruptcy Rules 2002(f)(7), 2002(k), and 3020(c) on all creditors and interest holders, the U.S. Trustee, and other parties in interest, by causing notice of entry of this Confirmation Order (the “**Notice of Confirmation**”), to be delivered to such parties by first-class mail, postage prepaid. The Reorganization Plan Debtors shall also post the Notice of Confirmation on the website maintained by the Claims and Noticing Agent, at <http://dm.epiq11.com/RDA/> (the “**Case Website**”). The notice described herein is adequate under the circumstances, and no other or further notice is necessary.

58. Notice of Effective Date. As soon as practicable after the occurrence of the Effective Date, the Reorganized Debtors shall serve notice of the Effective Date on all creditors and interest holders, the U.S. Trustee, and other parties in interest, by causing notice of the Effective Date (“**Notice of Effective Date**”) to be delivered to such parties by first-class mail, postage prepaid. The Reorganized Debtors shall also post the Notice of Effective Date on the Case Website. The Notice of Effective Date shall include notice of the deadline for filing proofs of claim arising out of rejection of executory contracts upon the Effective Date.

59. Retention of Jurisdiction. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court shall retain exclusive jurisdiction with respect to all matters arising

from or related to the Chapter 11 Cases, the Reorganization Plan, and the implementation of this Confirmation Order, including, without limitation, those matters set forth in Section 11 of the Reorganization Plan; *provided, however*, that Bankruptcy Court shall not retain jurisdiction over matters arising in connection with the Exit Financing or any transactions related thereto.

60. Payment of Statutory Fees. On the Effective Date and thereafter as may be required, the Reorganized Plan Debtors shall pay all fees incurred pursuant to § 1930 of title 28 of the United States Code, together with interest, if any, pursuant to § 3717 of title 31 of the United States Code for each Reorganization Plan Debtor's case, or until such time as a final decree is entered closing a particular Reorganization Plan Debtor's case, a Final Order converting such Reorganization Plan Debtor's case to a case under chapter 7 of the Bankruptcy Code is entered or a Final Order dismissing such Reorganization Plan Debtor's case is entered.

61. Effect of Confirmation on DEMG Estate. Except as otherwise set forth herein, entry and approval of the Confirmation Order shall have no effect on the chapter 11 case of DEMG and, subject to the terms, conditions and obligations of the DEMG Claims Stipulated Order, the Reorganization Plan Debtors are authorized in their sole discretion to advance funds after the Effective Date, subject to the terms of the Exit Facilities, necessary to provide for the structured wind-down of DEMG's estate and the closing of DEMG's chapter 11 case; *provided, however*, that any residual funds advanced to administer DEMG's chapter 11 case shall revert to the Reorganization Plan Debtors immediately after the closing of DEMG's chapter 11 case. For the avoidance of doubt, the Reorganization Plan Debtors are authorized but shall have no obligation to advance funds after the Effective Date.

62. Senior Noteholder Claims against DEMG. Notwithstanding anything herein to the contrary, the Senior Noteholders shall be entitled to assert and vote their Senior

Noteholder Deficiency Claims against DEMG, subject in all respects to the FTC Claims Settlement.

63. Effectuating Documents and Further Transactions. Each of the officers of the Reorganized Debtors is authorized, in accordance with his or her authority under the resolutions of the applicable board of directors or managers, to execute, deliver, file or record such contracts, instruments, releases, indentures and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Reorganization Plan, including with respect to the merger or liquidation of any of the Debtor Affiliates as set forth in the Plan Supplement, and any release, amendment, or restatement of any bylaws, certificates of incorporation, or other organizational documents of the Reorganization Plan Debtors, whether or not specifically referred to in the Reorganization Plan or the Plan Supplement, without further order of the Bankruptcy Court, and any or all such documents shall be accepted by each of the respective state filing offices and recorded in accordance with applicable state law and shall become effective in accordance with their terms and the provisions of state law. The Reorganization Plan Debtors are authorized to file certificates of cancellation, dissolution, or merger without further action under applicable law, regulation, order, or rule, including, without express or implied limitation, any action by the stockholders, members, or directors or other governing body of the Reorganization Plan Debtors.

64. Activities in Anticipation of the Effective Date. The Reorganization Plan Debtors are hereby authorized and empowered to take all necessary steps, and pay all related expenses, in anticipation of the Effective Date, including, without limitation, effectuating the liquidations, mergers and dissolutions specified in the Plan Supplement.

65. Substantial Consummation. On the Effective Date, the Reorganization Plan shall be deemed to be substantially consummated pursuant to sections 1101 and 1127(b) of the Bankruptcy Code.

66. Severability. This Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Reorganization Plan, as it may have been altered or interpreted in accordance with Section 12.9 of the Reorganization Plan, is (1) valid and enforceable pursuant to its terms; (2) integral to the Reorganization Plan and may not be deleted or modified without the consent of the Reorganization Plan Debtors or the Reorganized Debtors (as the case may be); and (3) nonseverable and mutually dependent.

67. Immediate Binding Effect. Pursuant to section 1141 and the other applicable provisions of the Bankruptcy Code, on or after entry of this Confirmation Order and subject to the occurrence of the Effective Date, the terms of the Reorganization Plan (including the Exhibits thereto and all documents and agreements executed pursuant thereto or in connection therewith), the Plan Supplement, and this Confirmation Order shall be immediately effective and enforceable and shall bind the Reorganized Debtors, the Released Parties, the Exculpated Parties, all holders of Claims and Interests of the Reorganization Plan Debtors (irrespective of whether such Claims or Interests are impaired under the Reorganization Plan or whether the holders of such Claims or Interests accepted or are deemed to have accepted the Reorganization Plan), any other person giving, acquiring, or receiving property under the Reorganization Plan, any and all non-Debtor parties to executory contracts and unexpired leases with any of the Reorganization Plan Debtors, any other party in interest in the Chapter 11 Cases, and the respective heirs, executors, administrators, successors, or assigns, if any, of any of the foregoing. On the Effective Date, all settlements (including the Restructuring Support

Agreement, the FTC Claims Settlement and the 2011 Financing Settlement), compromises, releases (including, without limitation, the releases set forth in Sections 10.3, 10.4, 10.5, 10.6, 10.7 and 10.8 of the Reorganization Plan), waivers, discharges, exculpations, and injunctions set forth in the Reorganization Plan shall be effective and binding on Persons who may have had standing to assert any settled, compromised, released, waived, discharged, exculpated, or enjoined Causes of Action after the Effective Date.

68. Conflicts Between Confirmation Order and the Reorganization Plan. To the extent of any inconsistency between the provisions of the Reorganization Plan and this Confirmation Order, the terms and provisions contained in this Confirmation Order shall govern. The provisions of this Confirmation Order are integrated with each other and are nonseverable and mutually dependent unless expressly stated by further order of this Court.

69. Stay of Confirmation. The requirements under Bankruptcy Rule 3020(e) that an order confirming a plan is stayed until the expiration of 14 days after entry of the order is hereby waived. This Confirmation Order shall take effect immediately and shall not be stayed pursuant to Bankruptcy Rules 3020(e), 6004(g), 6006(d), or 7062.

70. Final Order. This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon the entry hereof.

Dated: June 28, 2013
White Plains, New York

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

**Modified Second Amended Joint Plan of Reorganization of
Certain Debtors Under Chapter 11 of the Bankruptcy Code**