

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
CONEXANT SYSTEMS, INC., <i>et al.</i> , ¹)	
)	Case No. 13-10367 (MFW)
)	
Debtors.)	Jointly Administered
)	<i>Re: 2004 287</i>

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND
ORDER CONFIRMING THE SECOND MODIFIED JOINT PLAN OF
REORGANIZATION OF CONEXANT SYSTEMS, INC. AND ITS DEBTOR
AFFILIATES PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

The *Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated April, 22 2013 [Docket No. 206] (as amended, supplemented, or modified from time to time, the “*Plan*”),² a copy of which is attached hereto as **Exhibit 1** and incorporated herein by reference, having been filed with the United States Bankruptcy Court for the District of Delaware (the “*Court*”) by the above-referenced debtors and debtors in possession (collectively, the “*Debtors*”); and the Court having entered an order dated April 19, 2013 [Docket No. 209] (the “*Disclosure Statement Order*”), after due notice and a hearing pursuant to sections 105, 502, 1123, 1124, 1125, 1126 and 1128 of title 11 of the United States Code (the “*Bankruptcy Code*”), Rules 2002, 3003, 3016, 3017, 3018

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: Conexant Systems, Inc. (9439); Conexant CF, LLC (6434); Brooktree Broadband Holding, Inc. (5436); Conexant, Inc. (8218); and Conexant Systems Worldwide, Inc. (0601). The Debtors’ main corporate address is 1901 Main Street, Irvine, California 92614.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

and 3020 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rules 2002-1 and 3017-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States District Court for the District of Delaware (the “**Local Rules**”), (a) approving the *Disclosure Statement for the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 207] (the “**Disclosure Statement**”), (b) approving the solicitation packages and procedures for the distribution thereof, (c) approving the forms of ballots and manner of notice, (d) approving the voting record date, solicitation deadline and voting deadline and (e) establishing notice and objection procedures for Confirmation and scheduling a hearing with respect to Confirmation (the “**Confirmation Hearing**”); and the Disclosure Statement having been transmitted to all holders of Claims in Classes 3 and 4 (collectively, the “**Voting Classes**”) as provided for by the Disclosure Statement Order; and the Plan Supplement having been filed before the Confirmation Hearing as described herein; and the Confirmation Hearing having been held before the Court on June 4, 2013, after due notice to holders of Claims and Interests and all other parties in interest in accordance with the Disclosure Statement, the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and upon all of the proceedings had before the Court, and after full consideration of: (a) the Debtors’ *Memorandum of Law in Support of an Order Confirming the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated May 31, 2013 [Docket No. 275]; (b) the *Declaration of Brad Daniel on Behalf of BMC Group, Inc., Regarding Solicitation and Tabulation of Ballots Accepting and Rejecting the Debtor’s Second Amended Plan of Reorganization Under Chapter 11 of The Bankruptcy Code*, dated May 30, 2013 [Docket No. 271] (the “**Vote Declaration**”), and the testimony contained

therein; and (c) all other evidence proffered or adduced at the Confirmation Hearing, as well as oral arguments of counsel made in connection therewith; and after due deliberation and sufficient cause appearing therefor.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

A. Exclusive Jurisdiction; Venue; Core Proceeding

1. The Court has jurisdiction over the Chapter 11 Cases in accordance with 28 U.S.C. §§ 157 and 1334. Confirmation is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and the Court has jurisdiction to enter a final order with respect thereto. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The Court has exclusive jurisdiction to determine whether the Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Eligibility for Relief

2. The Debtors were and are entities eligible for relief under section 109 of the Bankruptcy Code.

C. Commencement and Joint Administration of the Chapter 11 Cases

3. On February 28, 2013 (the "*Petition Date*"), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code. By prior order of this Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015 [Docket No. 38]. Since the Petition Date, the Debtors have operated their businesses and managed their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

D. Judicial Notice

4. The Court takes judicial notice of the main case docket of the Chapter 11 Cases maintained by the Clerk of the Court, Case No. 13-10367 (MFW), including all pleadings and other documents filed and orders entered thereon. The Court also takes judicial notice of all evidence proffered or adduced and all arguments made at the hearings held before the Court during the pendency of the Chapter 11 Cases.

E. Claims Bar Date

5. On April 11, 2013, the Court entered an order (the "*Bar Date Order*") [Docket No. 162] that, among other things: (a) established bar dates for filing Proofs of Claim; (b) approved the form and manner for filing Proofs of Claim; and (c) approved notice of such bar dates. Specifically, the Bar Date Order established the following deadlines for filing Proofs of Claim: (a) 4:00 p.m. prevailing Eastern Time on May 17, 2013, as the general bar date; (b) 4:00 p.m. prevailing Eastern Time on August 27, 2013, as the bar date for governmental units; (c) with respect to claims arising from the rejection of an unexpired lease or executory contract, the later of (i) the date set forth in the order authorizing rejection and (ii) 30 days from the later of the date the rejection order was entered or notice of rejection was provided; and (d) supplemental bar dates as established by the Debtors with respect to certain holders of Claims who did not receive initial notice of the bar date.

F. Burden of Proof

6. The Debtors, as proponents of the Plan in accordance with section 1121(a) of the Bankruptcy Code, have met their burden of proving the elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by a preponderance of the evidence, which is the applicable evidentiary standard for Confirmation of the Plan. Further, the Debtors have proven the

elements of sections 1129(a) and 1129(b) of the Bankruptcy Code by clear and convincing evidence.

G. Transmittal and Mailing of Materials; Notice

7. As evidenced by the *Affidavit of Service of Kevin A. Martin* regarding: (1) *Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*, dated April 22, 2013; (2) *Disclosure Statement for the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code*; and (3) *Order (A) Approving the Disclosure Statement Dated 4/19/13; (B) Approving Solicitation Packages and Procedures for the Distribution Thereof; (C) Approving the Forms of Ballots and Manner of Notice; (D) Approving the Voting Record Date, Solicitation Deadline and Voting Deadline; and (E) Establishing Notice and Objection Procedures for Confirmation of the Second Modified Joint Plan of Reorganization*, due, adequate and sufficient notice of the Disclosure Statement, the Plan and the Confirmation Hearing, together with all deadlines for objecting to and voting to accept or reject the Plan, has been provided to: (a) the Office of the United States Trustee for the District of Delaware; (b) counsel to the Official Committee of Unsecured Creditors; (c) counsel to the Debtors' DIP Facility Agent; (d) counsel to the agent for the Debtors' prepetition secured notes; (e) counsel to the Debtors' prepetition secured lender; (f) counsel to each of the prepetition equity holders; (g) the Delaware Secretary of State; (h) the Delaware Secretary of Treasury; (i) the Delaware State Attorney General; (j) the Office of the United States Attorney General for the State of Delaware; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; and (m) all other parties that have filed a request for notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure in the Chapter 11 Cases, in substantial

compliance with the Disclosure Statement Order and Bankruptcy Rules 2002(b), 3017 and 3020(b) (collectively, the “*Core Notice Parties*”).

8. Due, adequate and sufficient notice of the Confirmation Hearing and the other dates and hearings described in the Disclosure Statement Order were provided to all parties entitled to notice in compliance with the Bankruptcy Rules and Disclosure Statement Order, and no other or further notice is or shall be required. The Debtors also published notice of the Confirmation Hearing (the “*Confirmation Hearing Notice*”) in the national edition of *The New York Times* in substantial compliance with the Disclosure Statement Order and Bankruptcy Rule 2002(l), as evidenced by the *Affidavit of Publication of the Confirmation Notice* filed on May 10, 2013 [Docket No. 229].

9. As evidenced by the *Affidavit of Service of Mireya Carranza Regarding Notice of Filing of Plan Supplement for the Second Modified Joint Plan of Reorganization of Conexant Systems, Inc. and Its Debtor Affiliates Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 246] and the *Affidavit of Service of James H. Myers Regarding (I) Notice of Filing of (A) Executory Contracts and Unexpired Leases to be Assumed by the Debtors Pursuant to the Plan; (B) Cure Amounts, if any; and (C) Related Procedures in Connection Therewith and (II) Notice of Filing Regarding Rejection of Executory Contracts and Unexpired Leases* [Docket No. 279], due, adequate and sufficient notice of the Plan Supplement has been provided to the Core Notice Parties and holders of Claims and Interests in substantial compliance with the Disclosure Statement Order.

H. Solicitation

10. Votes for acceptance and rejection of the Plan were solicited in good faith and in compliance with sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 3017 and

3018, the Disclosure Statement, the Disclosure Statement Order, all applicable provisions of the Bankruptcy Code and all other applicable rules, laws and regulations. Specifically, the solicitation materials approved by the Court in the Disclosure Statement Order which included the Disclosure Statement, the Plan, the Disclosure Statement Order, the Class 3 and Class 4 Ballots (the “*Ballots*”), the Debtors’ cover letter and the Confirmation Hearing Notice (the “*Solicitation Packages*”), were transmitted to and served on all holders of Claims in the Voting Classes, in compliance with section 1125 of the Bankruptcy Code, the Disclosure Statement Order, the Bankruptcy Rules and the Local Rules. Such transmittal and service of the Solicitation Packages were adequate and sufficient and no further notice is or shall be required. Additionally, holders of Class 3 and 4 Claims received a letter from the Creditors’ Committee supporting the Plan.

11. Holders of Claims or Interests in Classes 1, 2 and 7 (collectively, the “*Non-Voting Classes*”) were provided with notice of their non-voting status (“*Non-Voting Status Notice*”) in lieu of a Solicitation Package in substantially the same form approved by the Court as part of the Disclosure Statement Order. And, pursuant to the Disclosure Statement Order, the Debtors were not required to provide the holders of Class 5 Intercompany Claims and holders of Class 6 Interests in Conexant with a Solicitation Package or any other type of notice. The Debtors were further excused from mailing Solicitation Packages to: (a) holders of Claims that have already been paid in full during the Chapter 11 Cases or that are authorized to be paid in full in the ordinary course of business pursuant to an order previously entered by this Court; or (b) any party to whom the notice of the hearing to approve the Disclosure Statement was sent but was subsequently returned as undeliverable. See Disclosure Statement Order, ¶ 17. All procedures used to distribute the Solicitation Packages to holders of Claims were fair and

conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all other applicable rules, laws and regulations.

I. Vote Declaration

12. Before the Confirmation Hearing, the Debtors filed the Vote Declaration. All procedures used to tabulate the Ballots were fair and conducted in accordance with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and all other applicable rules, laws and regulations.

13. As evidenced by the Vote Declaration, Classes 3 and 4 unanimously voted to accept the Plan.

J. Plan Supplement

14. On May 13, 2013, the Debtors filed Exhibit A, Exhibit B and Exhibit E through Exhibit K, to the Plan Supplement [Docket No. 241], which exhibits included: (a) the New By-Laws; (b) the New Certificates of Incorporation; (c) retained Causes of Action; (d) the identification of any Disbursing Agent other than the Reorganized Debtors; (e) the identity of the members of the New Boards; (f) the material terms of the Emergence Bonus Plan; (g) the material terms of the New Notes; (h) the material terms of the New Working Capital Facility; and (i) the Liquidating Trust Agreement and Declaration of Trust (the “*Liquidating Trust Agreement*”). On May 24, 2013, the Debtors filed Exhibit C, Exhibit D and Exhibit G to the Plan Supplement [Docket No. 262], which exhibits included: (a) the Rejected Executory Contract and Unexpired Lease List, (b) the Assumed Executory Contract and Unexpired Lease List and (c) the Identification of the Members of the New Boards (Supplementing Exhibit G to Docket No. 241).

15. All materials included in the Plan Supplement and the amendments thereto are

integral to, part of and incorporated by reference into the Plan. The Plan Supplement and the amendments thereto comply with the terms of the Plan, and the filing and notice of such documents provided due, adequate and sufficient notice in accordance with the Bankruptcy Code, the Bankruptcy Rules and the Local Rules, and no other or further notice is necessary. Consistent with the terms of the Plan, the Debtors may alter, amend, update or modify the Plan Supplement before the Effective Date.³

K. Modifications to the Plan

16. Since April 24, 2013—the deadline to distribute Solicitation Packages in compliance with the Disclosure Statement Order—the Debtors, through this Order, have made modifications to the Plan in certain technical respects pursuant to section 1127(a) of the Bankruptcy Code. All modifications to the Plan contained herein are consistent with the provisions of the Bankruptcy Code, including sections 1122, 1123, 1125 and 1127 of the Bankruptcy Code, including any modifications disclosed on the record at the Confirmation Hearing. Except as provided for by law, contract or previous order of the Court, none of the Plan modifications made since the commencement of solicitation adversely affects the treatment of any holder of a Claim or Interest under the Plan, except to the extent such holder of a Claim or Interest has agreed to such different treatment. Accordingly, pursuant to section 1127(a) of the

³ “Except as otherwise specifically provided in the Plan, and subject to the consent of the Secured Lender, the Debtors reserve the right to modify the Plan, whether such modification is material or immaterial, and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 (as well as those restrictions on modifications set forth in the Plan), and subject to the consent of the Secured Lender, each of the Debtors expressly reserves its respective rights to revoke or withdraw, to alter, amend or modify the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify the Plan, or remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan.” Article X.A of the Plan.

Bankruptcy Code, none of the modifications require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code.

17. The filing of this Order and the disclosure of the Plan modifications on the record at or before the Confirmation Hearing constitute due, adequate and sufficient notice of any and all of such modifications.

18. In accordance with section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, all holders of Claims who voted to accept the Plan or who are conclusively presumed to have accepted the Plan are deemed to have accepted the Plan as modified. No holder of a Claim shall be permitted to change its vote as a consequence of the Plan modifications, unless otherwise agreed to by the holder of the Claim and the Debtors. All modifications to the Plan made after the solicitation on the Plan are hereby approved, pursuant to section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019. The Plan as modified shall constitute the Plan submitted for Confirmation.

L. Bankruptcy Rule 3016

19. The Plan is dated and identifies the Entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Clerk of the Court satisfied Bankruptcy Rule 3016(b).

M. Compliance with the Requirements of Section 1129 of the Bankruptcy Code

20. The Plan complies with all applicable provisions of section 1129(a) of the Bankruptcy Code, as follows:

i. Section 1129(a)(1) — Compliance with the Applicable Provisions of the Bankruptcy Code

a. Section 1122 and 1123(a)(1) — Proper Classification

21. The classification of Claims and Interests under the Plan is proper under the

Bankruptcy Code. Pursuant to sections 1122(a) and 1123(a)(1) of the Bankruptcy Code, Article III of the Plan provides for the separate classification of Claims and Interests into seven Classes, based on differences in the legal nature or priority of such Claims and Interests (other than Administrative Claims, DIP Facility Claims and Priority Tax Claims, which are addressed in Article II of the Plan and are required not to be designated as separate Classes pursuant to section 1123(a)(1) of the Bankruptcy Code). Valid business, factual and legal reasons exist for the separate classification of the various Classes of Claims and Interests created under the Plan, the classifications were not done for any improper purpose and the creation of such Classes does not unfairly discriminate between or among holders of Claims or Interests.

22. As required by section 1122(a) of the Bankruptcy Code, each Class of Claims and Interests contains only Claims or Interests that are substantially similar to the other Claims or Interests within that Class. As a result, the requirements of sections 1122 and 1123(a)(1) of the Bankruptcy Code have been satisfied.

b. Section 1123(a)(2) — Specification of Not Impaired Classes

23. Article III of the Plan specifies that Claims in Classes 1, 2, 5 and 6 are not Impaired under the Plan. Additionally, Article II of the Plan specifies that Administrative Claims and Priority Tax Claims are not Impaired, although these Claims are not classified under the Plan. As a result, the requirements of section 1123(a)(2) of the Bankruptcy Code have been satisfied.

c. Section 1123(a)(3) — Specification of Treatment of Impaired Classes

24. Article III of the Plan specifies the treatment of each Impaired Class under the Plan: Classes 3, 4 and 7. As a result, the requirements of section 1123(a)(3) of the Bankruptcy Code have been satisfied.

d. **Section 1123(a)(4) — No Discrimination**

25. Pursuant to section 1123(a)(4) of the Bankruptcy Code, Article III of the Plan provides for the uniform same treatment of each Claim or Interest in a particular Class, as the case may be, unless the holder of a particular Claim or Interest has agreed to a less favorable treatment with respect to such Claim or Interest. As a result, the requirements of section 1123(a)(4) of the Bankruptcy Code have been satisfied.

e. **Section 1123(a)(5) — Adequate Means for Plan Implementation**

26. Pursuant to section 1123(a)(5) of the Bankruptcy Code, Article IV and various other provisions of the Plan specifically provide in detail adequate and proper means for the Plan's implementation, including the following: (a) the Reorganized Debtors' issuance of New Notes; (b) the Reorganized Debtors' authorization to enter into the New Working Capital Facility; (c) the sources of consideration for Plan distributions; (d) the authorization of the Reorganized Debtors' continued corporate existence; (e) the authorization for certain specified property to vest in the Reorganized Debtors after the Effective Date; (f) the implementation of the trust (the "*Liquidating Trust*") created pursuant to the Liquidating Trust Agreement and the authorization to pursue Rights of Action (as defined in the Liquidating Trust Agreement) to vest with the Liquidating Trust and its trustee (the "*Liquidating Trustee*"); (g) the cancellation of existing securities; (h) the Reorganized Debtors' authorization to take all actions necessary to effectuate the Plan; (i) the entry into the New Certificate of Incorporation and New By-Laws; (j) the appointment of the New Conexant Board, as well as the officers and board members of each of the other Reorganized Debtors; and (k) the implementation of a Management Incentive Program and an Emergence Bonus Plan. As a result, the requirements of section 1123(a)(5) of the Bankruptcy Code have been satisfied.

f. Section 1123(a)(6) — Voting Power of Equity Securities

27. The Plan and the Reorganized Debtors' corporate documents filed as part of the Plan Supplement do not contemplate the issuance of non-voting equity securities. As a result, the requirements of section 1123(a)(6) of the Bankruptcy Code have been satisfied.

g. Section 1123(a)(7) — Selection of Officers and Directors

28. Article IV.J of the Plan describes the manner of selection of directors and officers of the Reorganized Debtors. In addition, to the extent known and determined, the identities and affiliations of any and all persons proposed to serve as a director or officer were disclosed at or before the Confirmation Hearing, in compliance with applicable law. The selection of the initial directors of the New Conexant Board and the New Subsidiary Boards, as well as those Persons that will serve as an officer of any of the Reorganized Debtors, was consistent with the interests of holders of Claims and Interests and public policy. As a result, the requirements of section 1123(a)(7) of the Bankruptcy Code have been satisfied.

h. Section 1123(b) — Permissive Contents of the Plan

29. The Plan contains various provisions that may be construed as permissive, but are not required for Confirmation under the Bankruptcy Code. As set forth below, such discretionary provisions comply with section 1123(b) of the Bankruptcy Code and are not inconsistent in any way with the applicable provisions of the Bankruptcy Code. As a result, the requirements of section 1123(b) of the Bankruptcy Code have been satisfied.

(1) Section 1123(b)(1) — Claims and Interests

30. Pursuant to section 1123(b)(1) of the Bankruptcy Code, Article III of the Plan impairs or leaves unimpaired, as the case may be, each Class of Claims or Interests.

(2) Section 1123(b)(2) — Executory Contracts and Unexpired Leases

31. Pursuant to section 1123(b)(2) of the Bankruptcy Code, Article V of the Plan provides for the assumption or rejection of the Debtors' Executory Contracts and Unexpired Leases that the Debtors did not previously assume or reject pursuant to section 365 of the Bankruptcy Code.

*(3) Section 1123(b)(3) — Settlement, Releases, Exculpation,
Injunction and Preservation of Claims Provisions*

32. **Compromise and Settlement.** Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the distributions and other benefits provided pursuant to the Plan, the provisions of the 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 or Interest may have with respect to any Allowed Claim or Interest, or any distribution to be made on account of such Allowed Claim or Interest. The compromise and settlement of such Claims and Interests embodied in the Plan is in the best interests of the Debtors, their Estates and all holders of Claims and Interests, and is fair, equitable and reasonable.

33. **Release of Liens.** The full release and discharge of all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates described in Article VIII.C of the Plan (the "***Lien Release***") is necessary to implement the Plan. The provisions of the Lien Release are appropriate, fair, equitable and reasonable and are in the best interests of the Debtors, their Estates and holders of Claims and Interests.

34. **Releases by the Debtors.** As modified pursuant to paragraph 107 herein, the release and discharge of Claims and Causes of Action by the Debtors and Reorganized Debtors described in Article VIII.D of the Plan (the "***Debtor Release***") releases certain parties and is a necessary and an important aspect of the Plan. The Debtor Release is based on a valid exercise

of sound business judgment and is reasonable and acceptable pursuant to the standards that courts in this district generally apply. Each of the Released Parties provided good and valuable consideration in exchange for the Debtor Release, including, among other things, the service of the Released Parties in facilitating the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated in the Plan. The Released Parties played an integral role in the formulation of the Plan and have expended significant time and resources analyzing and negotiating the issues presented by the Debtors' prepetition capital structure.

35. **Third Party Release by Holders of Claims and Interests.** The release of Claims and Causes of Action by holders of Claims and Interests solely in their capacities as Released Parties (the "**Third Party Release**") is an important aspect of the Plan. The Third Party Release is designed to provide finality for the Debtors, the Reorganized Debtors and the Released Parties regarding the parties' respective obligations under the Plan to the fullest extent authorized by applicable law. The Third Party Release contained in Article VIII.E of the Plan is hereby amended and restated as follows:

ON THE EFFECTIVE DATE OF THE PLAN AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, EACH HOLDER OF A CLAIM OR AN INTEREST IN THE DEBTORS THAT (A) VOTES TO ACCEPT THE PLAN AND (B) DOES NOT OPT OUT OF THE RELEASES CONTAINED IN THIS PARAGRAPH SHALL BE DEEMED TO HAVE EXPRESSLY, UNCONDITIONALLY, GENERALLY AND INDIVIDUALLY AND COLLECTIVELY, RELEASED, ACQUITTED AND DISCHARGED THE DEBTORS (INCLUDING THE DEBTORS' PREDECESSORS, SUCCESSORS AND ASSIGNS, SUBSIDIARIES, AFFILIATES, MANAGED ACCOUNTS OR FUNDS, CURRENT AND FORMER OFFICERS, DIRECTORS, PRINCIPALS, SHAREHOLDERS, MEMBERS, PARTNERS, EMPLOYEES, AGENTS, ADVISORY BOARD MEMBERS, FINANCIAL ADVISORS, ATTORNEYS, ACCOUNTS, INVESTMENT BANKERS, CONSULTANTS, REPRESENTATIVES, MANAGEMENT COMPANIES, FUND ADVISORS AND OTHER PROFESSIONALS) AND THE RELEASED PARTIES FROM ANY AND ALL ACTIONS, CLAIMS, INTERESTS, OBLIGATIONS, RIGHTS, SUITS, DAMAGES, CAUSES OF ACTION, REMEDIES AND LIABILITIES WHATSOEVER, INCLUDING ANY

DERIVATIVE CLAIMS ASSERTED ON BEHALF OF THE DEBTORS, WHETHER KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, MATURED OR UNMATURED, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, CONTRACT, TORT OR OTHERWISE, THAT SUCH HOLDER (WHETHER INDIVIDUALLY OR COLLECTIVELY) EVER HAD, NOW HAS OR HEREAFTER CAN, SHALL OR MAY HAVE, BASED ON OR RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, THE DEBTORS' RESTRUCTURING, THE CHAPTER 11 CASES, THE PURCHASE, SALE OR RESCISSION OF THE PURCHASE OR SALE OF ANY SECURITY OF THE DEBTORS, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR INTEREST THAT IS TREATED IN THE PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTORS AND ANY RELEASED PARTY, THE RESTRUCTURING OF CLAIMS AND INTERESTS BEFORE OR DURING THE RESTRUCTURING, INCLUDING THE NEGOTIATION, FORMULATION OR PREPARATION OF THE PLAN, THE DISCLOSURE STATEMENT, OR RELATED AGREEMENTS, INSTRUMENTS OR OTHER DOCUMENTS OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT OR OTHER OCCURRENCE RELATING TO THE DEBTORS TAKING PLACE ON OR BEFORE THE CONFIRMATION DATE OF THE PLAN, EXCEPT FOR ANY CLAIMS AND CAUSES OF ACTION FOR ACTUAL FRAUD.

36. The Ballots sent to all holders of Impaired Claims entitled to vote on the Plan, as well as the Confirmation Hearing Notice, unambiguously provided in CAPITAL letters that the Third Party Release was contained in the Plan. Further, the Ballots sent to all holders of Impaired Claims entitled to vote provided as follows:

If you would like to vote to accept the Plan but *not* be subject to the release provision contained in Article VIII.E of the Plan, please indicate so by checking this box: ☐⁴

Thus, the Ballots provided each holder of a Claim entitled to vote to accept or reject the Plan the option to "opt-out" of the Third Party Release and provided such parties due, adequate and sufficient notice that they would be bound by the Third Party Release if they did not otherwise

⁴ See e.g. Disclosure Statement Order at Exhibit 2A and Exhibit 2B.

“opt-out.” Based on the amended Third Party Release language and for the avoidance of doubt, those holders of Claims that did not return a Ballot or elected on their Ballots to opt-out of the Third Party Release or reject the Plan will not be bound by the Third Party Release.

37. **Exculpation.** The exculpation described in Article VIII.G of the Plan (the “*Exculpation*”) is appropriate under applicable law because it is part of the Plan and was proposed in good faith, was vital to the Plan formulation process and is appropriately limited in scope. The Exculpation, including its carve-out for gross negligence and willful misconduct, is consistent with established practice in this jurisdiction and others.

38. The definition of Exculpated Party contained in Article I.A of the Plan is hereby amended and restated as follows:

“*Exculpated Party*” means each of the Debtors and the Creditors’ Committee and its members and with respect to such entities, such entity’s successors and assigns and current and former affiliates, subsidiaries, officers, directors, principals, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives and other Professionals.

39. **Preservation of Causes of Action.** Subject to Article IV.Q and Article VIII of the Plan, Article IV.Q of the Plan appropriately provides that the Reorganized Debtors will retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, in accordance with section 1123(b)(3)(B) of the Bankruptcy Code. The retained Causes of Action include all actions described in Exhibit E to the Plan Supplement, and the Reorganized Debtors’ rights to commence, prosecute or settle such Causes of Action are preserved notwithstanding the occurrence of the Effective Date. The provisions regarding the preservation of Causes of Action in the Plan are appropriate, fair, equitable and reasonable and are in the best interests of the Debtors, their Estates and holders of Claims and Interests.

40. **Injunction.** The injunction provision set forth in Article VIII.H of the Plan (the “*Injunction*”) is necessary to preserve and enforce the Lien Release, the Debtor Release, the Third Party Release and the Exculpation and is narrowly tailored to achieve this purpose.

41. Based on the foregoing, each of the Lien Release, the Debtor Release, the Third Party Release, the Exculpation and the Injunction set forth in the Plan: (a) is within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), 1334(b) and 1334(d); (b) is necessary to implement the Plan pursuant to section 1123(a)(6) of the Bankruptcy Code; (c) is an integral element of the transactions incorporated into the Plan; (d) confers material benefits on, and is in the best interests of, the Debtors, their Estates and the holders of Claims; (e) is important to the overall objectives of the Plan to finally resolve all Claims among or against the parties in interest in the Chapter 11 Cases with respect to the Debtors; and (f) is consistent with applicable law, including sections 105, 1123, 1129 and other applicable provisions of the Bankruptcy Code. The Debtor Release is given in exchange for and is supported by fair, sufficient and adequate consideration provided by each and all of the Released Parties. The record of the Confirmation Hearing and the Chapter 11 Cases is sufficient to support the Lien Release, the Debtor Release, the Third Party Release, the Exculpation and the Injunction provisions contained in Article VIII of the Plan. The failure to implement the Lien Release, the Debtor Release, the Third Party Release, the Exculpation and the Injunction provisions of the Plan would seriously impair the Debtors’ ability to confirm the Plan.

i. **Section 1123(d) — Cure of Defaults**

42. Article V.C of the Plan provides for the satisfaction of any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan in accordance with section 365 of the Bankruptcy Code by payment of any “cure amount” on the

Effective Date, subject to the limitations described in Article V.C of the Plan, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree with the Debtors. The Debtors, in accordance with the Plan, distributed notices of proposed assumption and proposed amounts of Cure Claims to the applicable counterparties, which notices included procedures for objecting to (and ultimately resolving) proposed assumptions of Executory Contracts and Unexpired Leases and any amounts of Cure Claims to be paid in connection therewith.

j. **Section 1129(a)(2) — Compliance of the Debtors and Others with the Applicable Provisions of the Bankruptcy Code**

43. The Debtors, as proponents of the Plan, have complied with all applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, including sections 1123, 1125, 1126 and 1127 of the Bankruptcy Code and Bankruptcy Rules 3017, 3018 and 3019. As a result, the requirements of section 1129(a)(2) of the Bankruptcy Code have been satisfied.

(1) *Section 1125 — Solicitation*

44. The Debtors and their members, officers, directors, employees, partners, attorneys, financial advisors, accountants, managed funds, investment bankers, investment advisors, actuaries, professionals, agents, affiliates, fiduciaries and representatives (collectively, the “*Debtors’ Representatives*”) as of or after the Petition Date did not solicit the acceptance or rejection of the Plan by any holders of Claims after the Petition Date and before the approval and transmission of the Disclosure Statement. Votes to accept or reject the Plan were only solicited after the Petition Date by the Debtors and certain of the Debtors’ agents after disclosure to holders of Claims and Interests of adequate information as defined in section 1125(a) of the Bankruptcy Code.

45. The Debtors' Representatives as of or after the Petition Date have solicited acceptance or rejection of the Plan in good faith and in compliance with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules and all other applicable rules, laws and regulations and have participated in good faith and in compliance with the applicable provisions of the Disclosure Statement Order, the Disclosure Statement, the Bankruptcy Code, the Bankruptcy Rules and all other applicable rules, laws and regulations in the issuance and distribution of the New Notes, New Common Stock and Cash and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code, the Debtor Release, the Third Party Release, the Exculpation and the Injunction provisions set forth in Article VIII of the Plan, as applicable.

(2) *Section 1126 — Requirements for Acceptance*

46. Pursuant to section 1126 of the Bankruptcy Code, only holders of Allowed Claims in Impaired Classes of Claims that will receive or retain property under the Plan on account of such Claims voted to accept or reject the Plan.

(3) *Section 1127 — Plan Modification*

47. The Debtors filed a revised version of the Plan to reflect certain non-material, technical changes. Because these changes do not materially alter the terms of the Plan, including potential recoveries to the holders of Claims and Interests, the Debtors have complied with the requirements of section 1127 of the Bankruptcy Code and no further solicitation is required.

k. **Section 1129(a)(3) — Proposal of Plan in Good Faith**

48. The Debtors have proposed the Plan in good faith and not by any means forbidden by law. In determining that the Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the filing of the Chapter 11 Cases, the Plan itself

and the process leading to its formulation. The good faith of each of the Entities who negotiated the Plan is evident from the facts and records of the Chapter 11 Cases, the Disclosure Statement and the hearing thereon and the record of the Confirmation Hearing and other proceedings held in the Chapter 11 Cases. The Plan (including the Plan Supplement) is the product of arm's-length negotiations between the Debtors and the Debtors' key creditor constituencies, through their respective professionals. The Plan itself, and the process leading to its formulation, provide independent evidence of the good faith of such Entities who negotiated the Plan, serve the public interest and assure fair treatment of holders of Claims and Interests. The Debtors and the key creditor constituencies, through their respective professionals, negotiated with the legitimate and honest purposes of maximizing the value of the Debtors' Estates for the benefit of all creditors and affording the Debtors the ability to emerge from the Chapter 11 Cases with a deleveraged capital structure. Consistent with the overriding purpose of chapter 11 of the Bankruptcy Code, the Chapter 11 Cases were filed, and the Plan was proposed, with the legitimate purpose of allowing the Debtors to reorganize and emerge from chapter 11 with restructured operations that will allow the Debtors to effectively compete in the marketplace.

l. Section 1129(a)(4) — Court Approval of Certain Payments as Reasonable

49. The procedures set forth in the Plan for the Court's review and ultimate determination of the fees and expenses to be paid by the Debtors in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, satisfy the objectives of, and are in compliance with, section 1129(a)(4) of the Bankruptcy Code. As a result, the requirements of section 1129(a)(4) of the Bankruptcy Code have been satisfied.

m. Section 1129(a)(5) — Disclosure of Necessary Information Regarding Directors, Officers and Insiders

50. The Debtors have provided, to the extent known and determined, requisite disclosures regarding the proposed directors of the New Conexant Board and the New Subsidiary Boards, as well as the officers of the Reorganized Debtors following Confirmation, as and to the extent required by section 1129(a)(5) of the Bankruptcy Code. The identity of any insider that will be employed or retained by the Reorganized Debtors has been disclosed. As a result, the requirements of section 1129(a)(5) of the Bankruptcy Code have been satisfied.

n. Section 1129(a)(6) — Approval of Rate Changes

51. The Plan does not contain any rate changes subject to the jurisdiction of any governmental regulatory commission and will not require any such governmental regulatory approval. As a result, the requirements of section 1129(a)(6) of the Bankruptcy Code have been satisfied.

o. Section 1129(a)(7) — Best Interests of Holders of Claims and Interests

52. The liquidation analysis attached as **Exhibit G** to the Disclosure Statement (the "*Liquidation Analysis*") and the other evidence related thereto that was proffered or adduced at or before the Confirmation Hearing: (a) are reasonable, persuasive and credible;

(b) utilize reasonable and appropriate methodologies and assumptions; (c) have not been controverted by other evidence; and (d) establish that, with respect to each Impaired Class, each holder of an Allowed Claim in such Class has voted to accept the Plan or will receive under the Plan on account of such Claim property of a value, as of the Effective Date, that is not less than the amount such holder would receive if the Debtors were liquidated on the Effective Date under chapter 7 of the Bankruptcy Code. As a result, the requirements under section 1129(a)(7) of the Bankruptcy Code have been satisfied.

p. Section 1129(a)(8) — Conclusive Presumption of Acceptance by Unimpaired Classes; Acceptance of the Plan by Impaired Classes

53. Classes 1 and 2 are each a Class of Claims that are not Impaired and are deemed to have accepted the Plan. Additionally, Classes 5 and 6 are presumed to have accepted the Plan under section 1126(f) of the Bankruptcy Code because all holders in Classes 5 and 6 are proponents of the Plan.

54. Classes 3 and 4 are each a Class of Impaired Claims that have voted to accept the Plan.

55. Class 7 is a Class of Impaired Claims or Interests and is deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code because holders of Claims or Interests in this Class are not entitled to receive or retain any property under the Plan. While the Plan does not satisfy section 1129(a)(8) of the Bankruptcy Code with respect to Class 7, the Plan is confirmable because it satisfies sections 1129(a)(10) and 1129(b) of the Bankruptcy Code, as discussed below.

q. Section 1129(a)(9) — Treatment of Claims Entitled to Priority Pursuant to Section 507(a) of the Bankruptcy Code

56. Except to the extent that a holder of an Allowed Administrative Claim or Allowed

Priority Tax Claim agrees to less favorable treatment, Allowed Administrative Claims and Allowed Priority Tax Claims are not Impaired pursuant to Article II of the Plan. Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to less favorable treatment, Allowed Priority Non-Tax Claims are not Impaired pursuant to Article III of the Plan. As a result, the requirements of section 1129(a)(9) of the Bankruptcy Code with respect to such Classes have been satisfied.

r. Section 1129(a)(10) — Acceptance by At Least One Impaired Class

57. As set forth in the Vote Declaration, Classes 3 and 4 are each a Class of Impaired Claims and have voted to accept the Plan. As such, there is at least one Class of Claims that is Impaired and has accepted the Plan, determined without including any acceptance of the Plan by any Insider. As a result, the requirements of section 1129(a)(10) of the Bankruptcy Code have been satisfied.

s. Section 1129(a)(11) — Feasibility of the Plan

58. The evidence proffered or adduced at, or before, the Confirmation Hearing in connection with the feasibility of the Plan, including the projections of the Debtors' financial performance for the years 2013 through 2017, attached as **Exhibit E** to the Disclosure Statement, is reasonable, persuasive and credible, has not been controverted by other evidence and establishes that Confirmation is not likely to be followed by the liquidation or need for further financial reorganization of the Reorganized Debtors, thereby satisfying the requirements of section 1129(a)(11) of the Bankruptcy Code.

t. Section 1129(a)(12) — Payment of Bankruptcy Fees

59. Article II.A of the Plan provides that all Administrative Claims, which includes all fees and charges assessed against the Estates pursuant to section 1930 of title 28 of the United

States Code, shall be paid for on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date. As a result, the requirements of section 1129(a)(12) of the Bankruptcy Code have been satisfied.

u. Section 1129(a)(13) — Retiree Benefits

60. Pursuant to section 1129(a)(13) of the Bankruptcy Code, the Debtors will continue to pay all obligations on account of retiree benefits (as such term is used in section 1114 of the Bankruptcy Code) on and after the Effective Date in accordance with applicable law. As a result, the requirements of section 1129(a)(13) of the Bankruptcy Code have been satisfied.

v. Sections 1129(a)(14), (15) and (16) — Domestic Support Obligations; Unsecured Claims Against Individual Debtors; Transfers by Nonprofit Organizations

61. None of the Debtors have domestic support obligations, are individuals or are nonprofit organizations. Therefore, sections 1129(a)(14), (15) and (16) of the Bankruptcy Code do not apply to the Chapter 11 Cases.

w. Section 1129(b) — No Unfair Discrimination; Fair and Equitable

62. Despite the Debtors' inability to satisfy section 1129(a)(8) of the Bankruptcy Code, based upon the evidence proffered, adduced and presented by the Debtors at the Confirmation Hearing, or otherwise filed or on the record in the Chapter 11 Cases, including the Disclosure Statement and the exhibits thereto, the Plan does not discriminate unfairly and is fair and equitable with respect to Classes 3, 4 and 7, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code. Furthermore, both of the Classes of Claims entitled to vote on the Plan have voted in favor of the Plan. Thus, the Plan may be Confirmed notwithstanding the deemed rejection of the Plan by Class 7.

x. Section 1129(c) — Only One Plan

63. Other than the Plan (including previous versions thereof), no other plan has been filed in the Chapter 11 Cases. As a result, the requirements of section 1129(c) of the Bankruptcy Code have been satisfied.

y. Section 1129(d) — Principal Purpose of the Plan Is Not Avoidance of Taxes or Section 5 of the Securities Act of 1933

64. No Governmental Unit has requested that the Court refuse to confirm the Plan on the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the application of section 5 of the Securities Act. As a result, the requirements of section 1129(d) of the Bankruptcy Code have been satisfied.

N. Satisfaction of Confirmation Requirements

65. Based upon the foregoing, all other filed pleadings, documents, exhibits, statements, declarations and affidavits filed in connection with Confirmation of the Plan and all evidence and arguments made, proffered or adduced at the Confirmation Hearing, the Plan satisfies the requirements for confirmation set forth in section 1129 of the Bankruptcy Code.

O. Good Faith

66. Based on the record before the Court in the Chapter 11 Cases: (a) the Debtors; (b) the Secured Lender; (c) the Secured Notes Trustee; (d) the DIP Facility Lender; (e) the Equity Sponsors; (f) the Creditors' Committee; and (h) all of the current members (including ex officio members), officers, directors, employees, partners, attorneys, financial advisors, accountants, managed funds, investment bankers, investment advisors, actuaries, professionals, agents, affiliates, fiduciaries and representatives of each of the foregoing Entities (in each case in his, her or its capacity as such) as of or after the Petition Date have acted in good faith within the

meaning of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any applicable non-bankruptcy law, rule or regulation and will continue to act in good faith if they proceed to: (a) consummate the Plan and the agreements, settlements, transactions and transfers contemplated thereby; and (b) take the actions authorized and directed by this Confirmation Order, and are entitled to the protections afforded by section 1125(e) of the Bankruptcy Code and, to the extent such parties are listed therein, the Exculpation provisions set forth in Article VIII of the Plan.

P. Disclosure — Agreements and Other Documents

67. The Debtors have disclosed all material facts regarding: (a) the New By-Laws; (b) the New Certificates of Incorporation; (c) retained Causes of Action; (d) the identification of any Disbursing Agent other than the Reorganized Debtors; (e) the identity of the members of the New Boards; (f) the material terms of the Emergence Bonus Plan; (g) the material terms of the New Notes; (h) the material terms of the New Working Capital Facility; (i) the Liquidating Trust Agreement and Declaration of Trust; (j) the List of Rejected Executory Contracts and Unexpired Leases; and (k) the List of Assumed Executory Contracts and Unexpired Leases.

Q. Transfers by the Debtors; Vesting of Assets

68. Except as otherwise provided in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances. Pursuant to sections 1141(b) and (c) of the Bankruptcy Code and subject to paragraph 95 below, all property of each of the Debtors (excluding property that has been abandoned pursuant to the Plan or an order of the Court) shall vest in each respective

Reorganized Debtor or its successors or assigns, as the case may be, free and clear of all Liens, charges, Claims, encumbrances and other interests, except as expressly provided in the Plan or herein, except for the liens and security interests granted pursuant to the New Working Capital Facility. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable non-bankruptcy law.

R. Likelihood of Satisfaction of Conditions Precedent to the Effective Date

69. Each of the conditions precedent to the Effective Date, as set forth in Article IX of the Plan, has been satisfied or waived in accordance with the provisions of the Plan or is reasonably likely to be satisfied or waived.

S. New Notes and DIP Financing Claims

70. On the Effective Date, the Reorganized Debtors shall issue New Notes. Confirmation shall be deemed approval of the New Notes (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Reorganized Debtors in connection therewith), and the Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to effectuate the issuance of the New Notes without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization or approval of any Person, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to issue such New Notes.

71. On the Effective Date, all obligations under the DIP Facility Credit Agreement (other than those obligations that expressly survive the expiration or termination of the DIP Facility Credit Agreement, which obligations include the obligations under Section 7.2 of the DIP Facility Credit Agreement) shall have terminated; *provided, however*, notwithstanding

Confirmation or the occurrence of the Effective Date, any such indenture or agreement that governs the rights of the holder of a Claim shall continue in effect solely for purposes of enabling holders of Allowed Claims to receive distributions under the Plan as provided herein. The DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Facility Credit Agreement, including principal, interest, fees and expenses. On the Effective Date, except to the extent that a holder of an Allowed DIP Facility Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of the Allowed DIP Facility Claim, each holder of such Allowed DIP Facility Claim shall receive its Pro Rata distribution of the New Notes calculated in respect of the aggregate amount of Allowed DIP Facility Claims and the Secured Notes Claim.

T. Implementation of Necessary Documents and Agreements

72. All documents and agreements necessary to implement the Plan are in the best interests of the Debtors, the Reorganized Debtors and holders of Claims and Interests, have been negotiated in good faith and at arm's-length and shall, upon completion of documentation and execution, be valid, binding and enforceable agreements and not be in conflict with any federal or state law. The Debtors have exercised reasonable business judgment in determining to enter into all such documents and agreements and have provided sufficient and adequate notice of such documents and agreements. The terms and conditions of such documents and agreements are fair and reasonable and are approved. The Debtors are authorized, without any further notice to or action, order or approval of the Court, to finalize and execute and deliver all agreements, documents, instruments and certificates relating thereto and perform their obligations thereunder in accordance with the Plan.

U. Other Restructuring Transactions

73. Notwithstanding anything to the contrary herein or in the Plan, on or prior to the Effective Date, the Debtors may take all actions as may be necessary or appropriate to effect the organization of Conexant OpCo and the transfer and/or assignment, as applicable, of Conexant's assets to Conexant OpCo and any ancillary corporate actions associated with any of the foregoing. For the avoidance of doubt, Conexant's assets transferred and/or assigned, as applicable, to Conexant OpCo shall include all Executory Contracts and Unexpired Leases assumed by Conexant.

V. Executory Contracts and Unexpired Leases

74. The Debtors have exercised reasonable business judgment in determining whether to assume or reject each of their Executory Contracts and Unexpired Leases as set forth in Article V of the Plan, the Plan Supplement, this Confirmation Order or otherwise. Each assumption or rejection of an Executory Contract or Unexpired Lease in accordance with Article V of the Plan, the Plan Supplement, this Confirmation Order or otherwise shall be legal, valid and binding upon (a) the applicable Debtor and upon the Reorganized Debtors if such Executory Contract or Unexpired Lease is assumed and (b) all non-Debtor parties to such Executory Contract or Unexpired Lease, all to the same extent as if such assumption or rejection had been authorized and effectuated pursuant to a separate order of the Court that was entered before Confirmation pursuant to section 365 of the Bankruptcy Code.

75. Any Executory Contract or Unexpired Lease set forth on the Rejected Executory Contract and Unexpired Lease List shall be deemed rejected as of the Effective Date. Any Executory Contract or Unexpired Lease not set forth on either the Rejected Executory Contract and Unexpired Lease List or the Assumed Executory Contract and Unexpired Lease List shall be

deemed rejected.

76. The assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, 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 date the Debtors or Reorganized Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim that are 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 Court.

ORDER

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED
THAT:**

77. **Confirmation of the Plan.** All requirements for Confirmation of the Plan have been satisfied. The Plan, which constitutes a separate chapter 11 plan of reorganization for each Debtor, and the Plan Supplement (as such may be amended by this Confirmation Order or in accordance with the Plan) and each of the provisions thereof are confirmed in each and every respect pursuant to section 1129 of the Bankruptcy Code, as may be modified by this Confirmation Order. The documents contained in the Plan Supplement, and any amendments, modifications and supplements thereto, and all documents and agreements related thereto (including all exhibits and attachments thereto and documents referred to in such papers), and the execution, delivery and performance thereof by the Reorganized Debtors, are authorized and approved as finalized, executed and delivered. Without any further notice to or action, order or

approval of the Court, the Debtors, the Reorganized Debtors and their successors are authorized and empowered to make all modifications to all documents included as part of the Plan Supplement that are consistent with the Plan. As set forth in the Plan, once finalized and executed, the documents comprising the Plan Supplement and all other documents contemplated by the Plan shall constitute legal, valid, binding and authorized obligations of the respective parties thereto, enforceable in accordance with their terms and, to the extent applicable, shall create, as of the Effective Date, all Liens and other security interests purported to be created thereby.

78. **Effectiveness of All Actions.** All actions contemplated by the Plan are hereby authorized and approved in all respects. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of any Debtor, Reorganized Debtor or Disbursing Agent, or any officer, director, trustee, agent or professional thereof to take any and all actions necessary or appropriate to implement, effectuate and consummate the Plan, this Confirmation Order and any and all documents or transactions contemplated by the Plan or this Confirmation Order. Pursuant to this Confirmation Order, section 1142 of the Bankruptcy Code, section 303 of the Delaware General Corporate Law, any comparable provision of the business corporate laws of any other state and any other applicable law, the Debtors and the Reorganized Debtors are authorized and empowered, without action of their respective stockholders or members or boards of directors or managers to take any and all such actions as any of their executive officers may determine are necessary or appropriate to implement, effectuate and consummate the Plan, this Confirmation Order and any and all documents or transactions contemplated by the Plan or this Confirmation Order.

79. **Objections.** All objections, responses to, statements, comments and all

reservations of rights pertaining to Confirmation that have not been withdrawn, waived or settled before, or on the record at, the Confirmation Hearing are hereby overruled on the merits.

80. **Omission of Reference to Particular Plan Provisions.** The failure to specifically describe or include any particular provision of the Plan in this Order shall not diminish or impair the effectiveness of such provision, as the Plan is approved and confirmed in its entirety. Each provision of the Plan shall be deemed authorized and approved by this Order and shall have the same binding effect of every other provision of the Plan, whether or not mentioned in this Order. In the event of any inconsistencies between the Plan and this Order, this Order shall govern.

81. **Findings of Fact and Conclusions of Law.** The findings of fact and the conclusions of law stated in this Confirmation Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to the proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

82. The terms of the Plan, the Plan Supplement and exhibits thereto are incorporated by reference into, and are an integral part of, this Confirmation Order. The terms of the Plan, the Plan Supplement, all exhibits thereto and all other relevant and necessary documents shall be effective and binding as of the Effective Date.

83. **Plan Modifications.** Subsequent to filing the Plan on April 19, 2013, the Debtors made certain modifications to the Plan, which are reflected in the revised version of the Plan attached hereto as **Exhibit 1**. Except as provided for by law, contract or prior order of the Court, none of the modifications made since the commencement of solicitation adversely affects the

treatment of any Claim against or Interest in any of the Debtors under the Plan, except to the extent such holder of a Claim or Interest has agreed to such different treatment. The filing with the Court of the Plan as modified and the disclosure of the modifications to the Plan on the record at the Confirmation Hearing constitute due, adequate and sufficient notice thereof. Accordingly, pursuant to section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, none of the modifications to the Plan require additional disclosure under section 1125 of the Bankruptcy Code or resolicitation of votes under section 1126 of the Bankruptcy Code, nor do they require that holders of Claims or Interests be afforded an opportunity to change previously cast acceptances or rejections of the Plan. The Plan as modified and attached hereto shall constitute the Plan submitted for Confirmation.

84. **Deemed Acceptance of Plan as Modified.** Upon entry of this Confirmation Order, all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

85. **Plan Classification Controlling.** The classification of Claims and Interests for purposes of distributions made under the Plan shall be governed solely by the terms of the Plan. The classifications set forth on the Ballots tendered to or returned by the creditors in connection with voting on the Plan, (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan, (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims under the Plan for distribution purposes and (c) shall not be binding on the Debtors; *provided, however*, for the avoidance of doubt and as described in Article VI of the Disclosure Statement, any Allowed Claims of Conexant Germany or Conexant UK, if any, shall be treated as a General Unsecured Claim pursuant to the Plan.

86. **Operation as of the Effective Date.** Subject to Article IX.B of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h) or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors and any and all holders (irrespective of whether their Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors. This Confirmation Order shall not be stayed, and the terms and conditions of this Confirmation Order shall be immediately effective and enforceable upon its entry.

87. **Cancellation of Securities.** Except as otherwise provided in the Plan, any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on and after the Effective Date, the obligations of the Debtors under any existing agreement, document or instrument relating to any indebtedness (including the DIP Facility Credit Agreement and the Secured Notes Indenture) or obligation of or ownership interest in the Debtors shall be cancelled solely as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder consistent with the terms and conditions set forth in Article IV.G of the Plan; *provided, however*, that, to the extent that the Debtors' obligations thereunder expressly survive the expiration or termination thereof, the Reorganized Debtors shall continue to have, honor and pay such obligations as applicable, including, for the avoidance of doubt, the Debtors' obligations under the Secured Notes Indenture only to the extent necessary to: (a) allow distributions to be made under the Plan pursuant to the Secured Notes Indenture and to allow the Secured Notes Trustee to perform such other necessary functions with respect

thereto and to have the benefit of all the protections and other provisions of the Secured Notes Indenture in doing so; and (b) allow the Secured Notes Trustee to appear and be heard in these Chapter 11 Cases, as described in Article IV.G of the Plan.

88. **Administrative Claims.** Except with respect to Administrative Claims that are Claims for Accrued Professional Compensation ("*Fee Claims*") and except to the extent that a holder of an Allowed Administrative Claim and the applicable Debtor(s) (with the consent of the Secured Lender) agree to less favorable treatment with respect to such holder, each holder of an Allowed Administrative Claim shall either be paid (a) in full in Cash if such Claims do not exceed the Administrative Claims Cap or (b) a Pro Rata share of \$17.5 million if such Claims are Allowed in an amount in excess of the Administrative Claims Cap, to the extent all holders of such Claims consent to such treatment. Such Claims shall be paid on the earlier of on or as soon as reasonably practicable after (a) the Effective Date, if such Administrative Claim is Allowed as of the Effective Date or (b) the date such Administrative Claim is Allowed; *provided, however*, that Allowed Administrative Claims that arise postpetition in the ordinary course of the Debtors' business shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions, and subject to the budget set forth in the DIP Facility Credit Agreement. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed by Final Order.

89. **Administrative Claim Bar Date.** Except as otherwise provided in Article II.A of the Plan, requests for payment of Administrative Claims must be filed on or before the Administrative Claims Bar Date; *provided that* neither Samsung Electronics nor STATS ChipPAC Ltd. shall be required to file such a request for (a) the value of goods sold or services

performed for the Debtors in the ordinary course of business or (b) rebates owing to them in the ordinary course of business; *provided further that* the Office of the United States Trustee shall not be required to file such a request. **Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, or their property and such Administrative Claims shall be deemed discharged as of the Effective Date.** Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than 20 days after the Effective Date.

90. Notwithstanding anything to the contrary in this Order or the Plan, nothing shall preclude Samsung Electronics nor STATS ChipPAC Ltd. from seeking payment for any Allowed Claim under the Plan and from asserting any rights and remedies in connection with ordinary course of business dealings for goods sold to or services rendered to the Debtors or the Reorganized Debtors, as the case may, whether arising prior to or after the Effective Date.

91. **Priority Non-Tax Claims.** Except to the extent that a holder of an Allowed Priority Non-Tax Claim agrees to a less favorable treatment, in exchange for full and final satisfaction, settlement, release and discharge of each Allowed Priority Non-Tax Claim, each holder of such Allowed Priority Non-Tax Claim shall be paid (a) in full in Cash if such Claims do not exceed the Priority Non-Tax Claims Cap or (b) a Pro Rata share of \$1 million if such Claims exceed the Priority Non-Tax Claims Cap, to the extent all holders of such Claims consent to such treatment. Allowed Priority Non-Tax Claim shall be paid on or as reasonably practicable after (i) the Effective Date, (ii) the date on which such Priority Non-Tax Claim against the Debtors becomes an Allowed Priority Non-Tax Claim or (iii) such other date as may be ordered

by the Bankruptcy Court.

92. **Fee Claims.** Except as otherwise provided in the Plan, pursuant to Article II.A.2 of the Plan, Professionals asserting a Fee Claim for services rendered before the Confirmation Date must File and serve on the Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or any other applicable order of the Bankruptcy Court, an application for final allowance of such Fee Claim no later than 30 days after the Effective Date; *provided, however*, that any Professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professional Order may continue to receive such compensation or reimbursement of expenses for services rendered before the Confirmation Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professional Order. Objections to any Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date. To the extent necessary, the Confirmation Order shall amend and supersede any previously entered order regarding the payment of Fee Claims.

93. **Fee Claims Escrow Account.** On the Effective Date, in accordance with Article II.A of the Plan, the Reorganized Debtors shall establish and fund the Fee Claims Escrow Account in an amount equal to all Fee Claims outstanding as of the Effective Date (including unbilled estimated amounts). Amounts held in the Fee Claims Escrow Account shall not constitute property of the Reorganized Debtors. The Fee Claims Escrow Account may be an interest-bearing account. In the event there is a remaining balance in the Fee Claims Escrow Account following (a) payment to all holders of Fee Claims under the Plan and (b) the closing of the Chapter 11 Cases, such remaining amount, if any, shall be returned to the Reorganized Debtors.

94. **Post-Confirmation Fee Claims.** Except as otherwise specifically provided in the Plan, from and after the Confirmation Date, the Debtors/Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order or approval of the Bankruptcy Court, subject to the terms of the DIP Order, pay in Cash the reasonable legal, professional or other fees and expenses related to implementation and consummation of the Plan incurred by the Debtors, Creditors' Committee and/or Reorganized Debtors through and including the Effective Date. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors/Reorganized Debtors may employ and pay any Professional for services rendered or expenses incurred after the Confirmation Date in the ordinary course of business without any further notice to any party or action, order or approval of the Bankruptcy Court.

95. **Vesting of Assets in the Reorganized Debtors.** Pursuant to Article IV.F of the Plan, except as otherwise provided in the Plan, herein or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, all property in each Estate, retained Causes of Action and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims, Interests or retained Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules

96. **Rejection Claims and Rejection Bar Date.** All Proofs of Claim with respect to

Claims arising from the rejection of Executory Contracts or Unexpired Leases, pursuant to the Plan or this Confirmation Order, if any, must be Filed on the later of 30 days after service of notice of entry of an order of the Court (including this Confirmation Order) approving such rejection or notice of rejection is provided. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease not Filed within such time will be automatically disallowed, forever barred from assertion and shall not be enforceable against the Debtors or the Reorganized Debtors, the Estates or their property without the need for any objection by the Reorganized Debtors or further notice to, or action, order or approval of the Court.** All Allowed Claims arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases shall be classified as General Unsecured Claims (against the applicable Debtor) and shall be treated in accordance with Article III.C of the Plan, as applicable.

97. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed.

Any monetary defaults under each Executory Contract and Unexpired Lease as reflected on the Assumed Executory Contracts and Unexpired Lease List shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (a) the amount of any payments to cure such a default, (b) the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the Executory Contract or Unexpired Lease to be assumed or (c) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order or orders resolving the dispute and approving the assumption. Any

objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors within 10 business days after service of this Order. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or cure amount will be deemed to have assented to such assumption or cure amount; *provided, however*, the Debtors, with the consent of the Secured Lender, shall have the right to alter, amend, modify or supplement the Assumed Executory Contracts and Unexpired Lease List or Rejected Executory Contracts and Unexpired Lease List, as applicable, as identified in the Plan Supplement, through and including the Effective Date. To the extent that the Debtors, with the consent of the Secured Lender, alter, amend, modify or supplement the lists of Executory Contracts and Unexpired Lease included in the Plan Supplement, the Debtors shall file notice of any supplement with the Court and provide notice of the supplement to each counterparty to an affected Executory Contract or Unexpired Lease within five days of such decision. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related cure amount must be Filed, served and actually received by the Debtors within 10 business days after service of the supplemental notice.

98. Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, 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 date of the Debtors or Reorganized Debtors assume such Executory Contract or Unexpired Lease. **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.

99. **Assumption of Insurance Policies.** Pursuant to Article V.D of the Plan, all of the Debtors' insurance policies and any agreements, documents or instruments relating thereto, are treated as and deemed to be Executory Contracts under the Plan. On the Effective Date, the Debtors shall be deemed to have assumed all insurance policies and any agreements, documents and instruments related thereto.

100. **Ace Insurance Program.** Notwithstanding anything to the contrary in the Disclosure Statement, Plan, the Confirmation Order or any other order of the Bankruptcy Court (including, without limitation, any other provision that purports to be preemptory or supervening or grants an injunction or release), to the extent the Reorganized Debtors assume the ACE Insurance Program, it shall be deemed assumed in its entirety; (a) the Reorganized Debtors shall (i) cure all defaults related to such assumption; and (ii) compensate the ACE Companies for any actual pecuniary loss resulting from such defaults; (b) the ACE Insurance Program (including, but not limited to, any collateral and security provided to the ACE Companies (or any of them) pursuant the ACE Insurance Program) and the debts, obligations, and liabilities of Debtors (and after the Effective Date, the Reorganized Debtors) thereunder shall survive and shall not be amended, modified, waived or impaired in any respect by the Plan, the Confirmation Order or otherwise without the prior written agreement of the ACE Companies; (c) upon assumption of the Ace Insurance Program, the Reorganized Debtors shall be liable for all of the Debtors' obligations and liabilities, whether now existing or hereafter arising, under the ACE Insurance Program including, without limitation, the duty to continue to provide collateral and security as may be required by the ACE Insurance Program; (d) nothing in the Plan or the Confirmation

Order shall be construed as, or is, a determination as to coverage under the ACE Insurance Program; and (e) nothing in the Disclosure Statement, Plan or the Confirmation Order in any way: (i) alters, modifies or amends the terms of the ACE Insurance Program including, but not limited to, the provisions prohibiting the assignment of the policies and agreements, (ii) precludes or limits the rights of the ACE Companies to contest and/or litigate with any party, including, without limitation, the Debtors, the existence, primacy and/or scope of available coverage under any alleged applicable policy; (iii) alters the ACE Companies' rights and obligations under the ACE Insurance Program or modifies the coverage provided thereunder; (iv) alters the rights and obligations of the Debtors (or after the Effective Date, the Reorganized Debtors) under the ACE Insurance Program, including, without limitation, any duty of the Debtors' to defend, at their own expense, against claims asserted under the ACE Insurance Program; (v) discharges, releases or relieves the Debtors (or on or after the Effective Date, the Reorganized Debtors) from any debt or other liability under the ACE Insurance Program; or (vi) limits, diminishes, or otherwise alters or impairs the Debtors', Reorganized Debtors' and/or the ACE Companies' defenses, claims, causes of action, or other rights under applicable non-bankruptcy law with respect to the ACE Insurance Program.

101. For purposes of this provision, "ACE Companies" means, collectively, ACE American Insurance Company, Indemnity Insurance Company of North America and each of their respective affiliates and "ACE Insurance Program" means all insurance policies and all agreements, documents or instruments relating thereto including, without limitation, claims servicing agreements, that have been issued or entered into by the ACE Companies (or any of them) to or with one or more of the Debtors and their respective predecessors and/or affiliates.

102. **Dolby Laboratories Licensing Corporation.** Notwithstanding any provision of

this Order or the Plan to the contrary, all executory contracts between the Debtors and Dolby Laboratories Licensing Corporation ("**Dolby**") listed on Exhibit D to the First Plan Supplement (collectively, the "**Initial Dolby Agreements**") shall be and are hereby amended to incorporate by reference Dolby's current Agreement Regarding Standard Terms and Conditions (Implementation) ("**Implementation T&Cs**") in effect as of the Effective Date (as so amended and assumed, the "**Assumed Dolby Agreements**"). To the extent there are any conflicts between the Initial Dolby Agreements and the Implementation T&Cs, or to the extent that the Assumed Dolby Agreements purport to grant any rights that are less restrictive than those granted by the Implementation T&Cs, the latter controls, provided however, for the avoidance of doubt, that any Compliance Rights provided under the Implementation T&Cs and not currently in effect shall only apply to the period beginning on the later of the Effective Date or the period covered by the applicable Implementation T&Cs. The Reorganized Debtors shall work with Dolby in good faith to further amend the Assumed Dolby Agreements, *provided, however*, that the Debtors reserve their rights to reject the Initial Dolby Agreements through and until the Effective Date.

103. Dolby shall retain the right to inspect the Reorganized Debtors' records for compliance as provided for in each respective Assumed Dolby Agreement ("**Compliance Rights**"), irrespective of whether the time period of such inspection predates the Petition Date or the Effective Date, and the Reorganized Debtors shall remain liable for any default under any such Assumed Dolby Agreements as determined by Dolby under such inspection provisions, irrespective of whether such default occurred prior to the Petition Date or prior to the Effective Date in accordance with the terms of the respective Assumed Dolby Agreement. For the avoidance of doubt, the assumption of any Assumed Dolby Agreement that has, by its terms,

expired prior to the Petition Date shall not operate to revive such contract.

104. **Rockwell Agreements.** Notwithstanding any provision of this Order to the contrary, that certain Distribution Agreement and the Ancillary Agreements, as defined therein, including, but not limited to the (i) Amended and Restated Employee Matters Agreement; (ii) Tax Allocation Agreement; and (iii) Transition Agreement, each as incorporated into the Distribution Agreement and included within the definition of “Transaction Agreements” therein, and as referenced in the *Limited Objection of Rockwell Automation, Inc. to Assumption of Executory Contract* [Docket No. 267] (as may be amended from time to time, collectively, the “**Rockwell Agreements**”) shall be deemed assumed on the Effective Date, and the Debtors, or the Reorganized Debtors, as applicable, shall satisfy their obligations in the ordinary course, and in accordance with the terms of the Rockwell Agreements; *provided, however*, for the avoidance of doubt, nothing contained herein shall be construed as an admission as to the validity or priority of any claim against the Debtors or a waiver of the Debtors’ rights to contest any claim under the Rockwell Agreements; and *provided further, however*, that the Debtors reserve their rights to reject the Rockwell Agreements through and until the Effective Date.

105. **Comerica.** Pursuant to the *Consent Order Granting Motion Of Comerica Bank For Relief From The Automatic Stay* entered by the Court on April 11, 2013 [Docket No. 166] (the “**Comerica Stay Relief Order**”), Comerica Bank (“**Comerica**”) was granted relief from the automatic stay to (i) reimburse itself from funds in that certain pledged Business Money Market Account No. 1851-480234 in the name of Conexant Systems, Inc. maintained at Comerica (the “**Comerica Account**”) with respect to any draws on letters of credit nos. 615453, 635577, 644789, 595628 and 650154; and (ii) pay or reimburse itself, from funds in the Comerica Account, any fees and expenses that Comerica is entitled to from the Debtors under the

Agreements (as that term is defined in the Motion Of Comerica Bank For Relief From The Automatic Stay [Docket No. 98]), including interest and legal fees and expenses. Nothing in the Plan, any order confirming the Plan, or in any orders or documents relating to exit financing shall (a) diminish or in any way impair the reimbursement rights of Comerica as described in the previous sentence and the Comerica Stay Relief Order, nor (b) grant a lien that is pari passu with, or senior to, Comerica's interest in the Comerica Account. Comerica's rights to set-off and recoupment are preserved. To the extent letters of credit nos. 615453, 635577, 644789, 595628 and 650154 are surrendered, expire or are otherwise terminated without being properly drawn in accordance with their terms, Comerica shall promptly thereafter return to the Debtors any funds remaining in the Comerica Account that corresponds to such letter of credit after the reimbursement permitted herein and the Comerica Stay Relief Order, and such funds shall be applied in accordance with the DIP Orders and DIP Credit Agreement to the extent any amounts remain outstanding under the DIP Credit Agreement.

106. **Discharge of Claims and Termination of Interests.** As provided in Article VIII.B of the Plan, pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, herein or in any contract, instrument or other agreement or document created pursuant to the Plan, the provision in the Plan with respect to the discharge of Claims and termination of Interests is approved in all respects. This Confirmation Order shall constitute a judicial determination of the discharge of all Claims and Interests subject to the occurrence of the Effective Date.

107. **Release of Liens.** As provided for in Article VIII.C of the Plan and except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the

applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, the Lien Release is approved and authorized in all respects.

108. Release by the Debtors. As provided for in Article VIII.D of the Plan, pursuant to section 1123(b) of the Bankruptcy Code and except as otherwise provided for in the Plan, as of the Effective Date, the Debtor Release is approved and authorized in all respects; *provided, however*, that the Debtor Release shall not apply to the Creditors' Committee and its related parties.

109. Release by Holders of Claims and Interests. As provided for in Article VIII.E of the Plan and as amended herein and to the extent permitted by applicable law, as of the Effective Date, the Third Party Release is approved and authorized in all respects. For the avoidance of doubt, any holder of a Claim that did not return a Ballot or that elected on its Ballot to opt-out of the Third Party Release or reject the Plan will not be subject to the Third Party Release.

110. Exculpation. As provided for in Article VIII.G. of the Plan and as amended herein and except as otherwise provided for in the Plan, as of the Effective Date, the Exculpation is approved and authorized in all respects.

111. Injunction. From and after the Effective Date, and as contemplated in Article VIII.H of the Plan, the Injunction shall be in full force and effect.

112. Termination of Injunction or Stays. Pursuant to Article VIII.I of the Plan, unless otherwise provided, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 363 of the Bankruptcy Code or any order of the Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or this Confirmation

Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or this Confirmation Order shall remain in full force and effect in accordance with their terms.

113. **The Disbursing Agent.** Except as otherwise provided in the Plan all distributions under the Plan shall be made by the Disbursing Agent on the Effective Date in accordance with the terms and conditions set forth in Article VI of the Plan. As set forth in Exhibit F to the Plan Supplement, the Disbursing Agent for the General Unsecured Claims Recovery Pool and holders of Allowed General Unsecured Claims shall be the Liquidating Trustee of the Liquidating Trust. To the extent the Disbursing Agent is one or more of the Reorganized Debtors or the Liquidating Trustee, the Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court.

114. **The New Notes.** Pursuant to Article IV.D.2, on the Effective Date, the Reorganized Debtors shall issue the New Notes. Confirmation shall be deemed approval of the New Notes (including the transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred and fees paid by the Reorganized Debtors in connection therewith), and the Reorganized Debtors are authorized to execute and deliver those documents necessary or appropriate to issue the New Notes without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or vote, consent, authorization or approval of any Person, subject to such modifications as the Reorganized Debtors may deem to be reasonably necessary to consummate issuance of the New Notes.

115. On the Effective Date, the New Notes shall be distributed Pro Rata to holders of DIP Facility Claims and the holder of the Class 3 Secured Notes Claim in proportion to the

aggregate amount of all Allowed DIP Facility Claims and the Secured Notes Claim.

116. **Distribution of New Common Stock.** Pursuant to Article IV.D.1 of the Plan, the Reorganized Debtors are authorized to issue the New Common Stock without the need for any further corporate action and without any further action by the holders of Claims or Interests.

117. On, the Effective Date, an initial number of shares of New Common Stock representing 100% of the New Common Stock shall be distributed to holders of Class 3 Secured Notes Claims.

118. All of the shares of New Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, fully paid and non-assessable. Each distribution and issuance of the New Common Stock under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

119. Consistent with Article VI.D.1. of the Plan, and except as otherwise provided in the Plan, all distributions to the holder of Secured Notes Claim shall be governed by the Secured Notes Indenture and shall be deemed completed when made to the Secured Notes Trustee, who shall be deemed to be the holder of the Secured Notes Claim for purposes of distributions to be made hereunder. The Secured Notes Trustee shall hold or direct such distributions for the benefit of the holder of the Allowed Secured Notes Claim. As soon as practicable in accordance with the requirements set forth in Article VI of the Plan, the Secured Notes Trustee shall arrange to deliver such distributions to or on behalf of such holder of the Allowed Secured Notes Claim.

120. Except as otherwise provided in the Plan, all distributions to the holder of the DIP Facility Claims shall be governed by the DIP Facility Credit Agreement and shall be deemed

completed when made to the DIP Facility Lender.

121. Except as otherwise provided in the Plan, all distributions to holders of Allowed General Unsecured Claims shall be deemed completed when made to the Disbursing Agent for General Unsecured Claims, who shall be deemed to be the holder of all General Unsecured Claims for purposes of distributions to be made hereunder. The Disbursing Agent for General Unsecured Claims shall have the authority to administer the General Unsecured Claims Recovery Pool with respect to General Unsecured Claims, including objecting to and/or resolving General Unsecured Claims as set forth herein, in the Liquidating Trust Agreement and in the Plan. As of the Effective Date of the Plan, the Secured Lender shall be deemed to waive the Secured Notes Deficiency Claim and its right to participate in and/or receive any distribution from the Liquidating Trustee, Liquidating Trust and/or General Unsecured Claims Recovery Pool.

122. Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be made to holders of record as of the Distribution Record Date by the Reorganized Debtors or the Disbursing Agent, as appropriate: (a) to the signatory set forth on any of the Proofs of Claim Filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is Filed or if the Debtors have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Reorganized Debtors or the applicable Disbursing Agent, as appropriate, after the date of any related Proof of Claim; (c) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and the Reorganized Debtors or the applicable Disbursing Agent, as appropriate, has not received a written notice of a change of address; or (d) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Subject to

Article VI of the Plan, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors, the Reorganized Debtors and the Disbursing Agent, as applicable, shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

123. **Section 1145 Exemption.** Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance and distribution of the New Common Stock and New Notes as contemplated by Article IV.D of the Plan shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act and any other applicable law requiring registration prior to the offering, issuance, distribution or sale of Securities. In addition, under section 1145 of the Bankruptcy Code, such New Common Stock will be freely tradable in the U.S. by the recipients thereof, subject to 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, and compliance with applicable securities laws and 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 and subject to any restrictions in Conexant's New Certificate of Incorporation.

124. **Section 1146 Exemption.** Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to the Plan or hereto shall not be subject to any stamp tax or other similar tax or governmental assessment in the United States, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without

the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to: (a) the creation of any mortgage, deed of trust, lien or other security interest; (b) the making or assignment of any lease or sublease; (c) any restructuring transaction authorized by the Plan; or (d) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (i) any merger agreements; (ii) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (iii) deeds; (iv) bills of sale; or (v) assignments executed in connection with any Restructuring Transaction occurring under the Plan.

125. Corporate Action: Authorizations and Approvals. Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including: (a) implementation of the restructuring transactions contemplated by this Plan, as applicable; (b) issuance of the New Notes; (c) entry into the New Working Capital Facility, if any; (d) distribution of the New Common Stock; (e) reservation of up to 15% of the fully diluted New Common Stock or the non-equity equivalent thereof pursuant to the Management Incentive Program; (f) selection and appointment of the directors and officers for the Reorganized Debtors and Holdco; (g) implementation of the Emergence Bonus Plan; and (h) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors or officers of the Debtors or the Reorganized Debtors. On or (as applicable) before the Effective Date, the appropriate officers of the Debtors or the Reorganized Debtors shall be authorized and (as applicable) directed to issue, execute and

deliver the agreements, documents, securities and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors, including any and all other agreements, documents, securities and instruments relating to the foregoing. The authorizations and approvals contemplated by Article IV of the Plan shall be effective notwithstanding any requirements under non-bankruptcy law. The issuance of the New Common Stock shall be exempt from the requirements of section 16(b) of the Securities Exchange Act of 1934 (pursuant to Rule 16b-3 promulgated thereunder) with respect to any acquisition of such securities by an officer or director (or a director deputized for purposes thereof) as of the Effective Date.

126. **Government Approvals Not Required.** 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 Plan and any documents, instruments or agreements, and any amendments or modifications thereto, and any other acts referred to in or contemplated by the Plan and any documents, instruments or agreements, and any amendments or modifications thereto.

127. **Severability of Plan Provisions.** This Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (c) non-severable and mutually dependent.

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

129. **Conflicts with the Plan.** Except as set forth in the Plan, to the extent that any

provision of the Disclosure Statement, the Plan Supplement or any other order (other than this Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflicts with or is in any way inconsistent with any provision of the Plan, this Confirmation Order shall govern and control. To the extent that any provision of the Plan conflicts with or is any way inconsistent with any provision of this Confirmation Order, this Confirmation Order shall govern.

130. **Non-Occurrence of Effective Date and Reservation of Rights.** Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect if the Effective Date does not occur. None of the Filing of the Plan, any statement or provision contained in the Plan or the taking of any action by any Debtor with respect to the Plan, the Disclosure Statement or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders before the Effective Date. In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting unexpired leases pursuant to section 365(d)(4) of the Bankruptcy Code.

131. **Successor and Assigns.** The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, Affiliate, officer, director, agent, representative, attorney, beneficiaries or guardian, if any, of each Entity.

132. **Notice of Entry of Confirmation Order and Occurrence of the Effective Date.** Pursuant to Bankruptcy Rules 2002(f)(7), 2002(k) and 3020(c), the Reorganized Debtors shall file and serve notice of (a) entry of this Confirmation Order (the "*Notice of Confirmation*") and

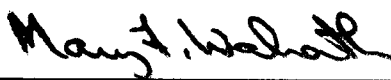
(b) occurrence of the Effective Date (the “*Notice of Effective Date*”) substantially in the forms annexed hereto as Exhibit 2 and Exhibit 3, respectively, on the Core Notice Parties. The Notice of Confirmation and the Notice of Effective Date shall also be published in *The Wall Street Journal* and posted electronically at www.bmcgroup.com/conexant. Such notices are adequate under the particular circumstances and no other or further notices are necessary. The form of Notice of Confirmation and the Notice of Effective Date substantially in the form annexed hereto as Exhibit 2 and Exhibit 3, respectively, are approved.

133. **Final Order.** This Confirmation Order is a Final Order.

134. **Waiver of Stay.** The stay of the Confirmation Order provided by any Bankruptcy Rule (including Bankruptcy Rules 3020(e), 6004(h) and 6006(d)), whether for fourteen (14) days or otherwise, is hereby waived, and the Confirmation Order shall be effective and enforceable immediately upon its entry by the Court. This Confirmation Order is and shall be deemed to be a separate order with respect to each Debtor for all purposes.

135. **Retention of Jurisdiction.** Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to Article XI of the Plan.

Dated: June 6, 2013
Wilmington, Delaware



Honorable Mary F. Walrath
United States Bankruptcy Judge