

## PROTOCOL

The Examiner and the Joint Administrators hereby agree, subject to entry by the Bankruptcy Court of the Final Supplemental Order Appointing Examiner and Approving Agreement Between Examiner and Joint Administrators (the “Proposed Order”) to which this Protocol is an exhibit, as follows:

A. Annexed hereto as Schedule 1 is a list of entities that are integral parts of the businesses of Macmillan, Inc. (“Macmillan”) and Official Airline Guides, Inc. (“OAG”), whether subsidiaries or affiliates thereof (as identified on Schedule 1 hereto, the “M&O Group” as may be varied from time to time by further agreement between the Examiner and the Joint Administrators subject to the approval, or further order, of the Bankruptcy Court).

B. With respect to those members of the M&O Group that are identified with an asterisk on Schedule 1 hereto (the “M&O Affiliates”), the Joint Administrators have expressed the need to analyze their duties and responsibilities under English or other applicable law concerning the potential rights of the shareholders and creditors of the M&O Affiliates and the Joint Administrators and the Examiner agree to work together in good faith to effectuate the current desire and intent for David Shaffer (“Shaffer”) to continue overseeing the M&O Group, as provided in paragraph C hereof, without causing the Joint Administrators to be in breach of their duties and responsibilities under English or other applicable law, with the Joint Administrators and the Examiner reserving the right to seek relief from the Bankruptcy Court in the event the foregoing cannot be accomplished.

C. Subject to paragraph G.3(i) hereof, Shaffer shall (i) remain the Chairman, President and Chief Executive Officer of Macmillan, Inc., (ii) remain the Chairman of Official Airline Guides, Inc. (“OAG”), (iii) be paid by OAG and Macmillan, and (iv) be employed by the Debtor but without the Joint Administrators adopting or the Debtor assuming his contract of employment, it being the current desire and intent (subject to paragraph G.3(i) hereof) that his management role include overseeing management of the M&O Group.

D. The Joint Administrators and the Examiner shall consult and together agree as to the appropriate composition of the boards of directors of Macmillan and OAG. The Debtor under the direction of the Joint Administrators, in its capacity as the ultimate parent company of the M&O Group, shall procure the appointment of new boards of directors for Macmillan and OAG, provided that subject to paragraph G.3(i) hereof (i) Shaffer shall be a member of both boards, (ii) the Joint Administrators shall consult with Shaffer as to whether it may be appropriate to appoint one or more members of operating management of Macmillan or OAG to their respective boards, (iii) the remaining members of the respective boards shall be independent, outside directors of distinction, and (v) the Joint Administrators and the Examiner shall have consented to each proposed appointment.

E. Should the Joint Administrators consider it appropriate to commence insolvency or other similar proceedings in respect of all or any of the intermediate holding companies between the Debtor and the M&O Group, they may commence such proceedings subject to giving such prior notice as is reasonable in all the circumstances of the commencement of such proceedings to the Examiner, and in that event they shall, or they shall cause the Debtor to subject to prior consultation with the Examiner, commence parallel proceedings under Chapter 11 in the United States with respect to such intermediate holding companies in which event the Joint Administrators and the Examiner shall apply to the Bankruptcy Court for an Order in relation to such companies appointing the Examiner to serve in such cases and otherwise in substantially the same terms as the terms of the Proposed Order insofar as they may be relevant.

F. The Debtor and the Examiner may retain on a joint basis (subject to approval by the Bankruptcy Court of the specific joint retention application) an investment banker of national and international reputation selected by the Joint Administrator and the Examiner.

G. The Joint Administrators and the Examiner shall exercise their powers and authority in accordance with the following:

1. With respect to the Debtor, the Joint Administrators and the Debtor at the direction of the Joint Administrators shall:

- (i) except as provided in this Protocol and the Proposed Order, attempt, in good faith, to obtain the prior approval of the Examiner and shall obtain of the Bankruptcy Court to borrow funds or pledge or charge any assets of the Debtor;
  - (ii) in good faith attempt to obtain the consent of the Examiner prior to seeking to convert the Debtor's case to a case under Chapter 7 of the Bankruptcy Code and shall obtain the approval of the Bankruptcy Court to any such conversion;
  - (iii) obtain the prior consent of the Examiner or, having first attempted in good faith to obtain such consent, approval of this Court prior to filing a plan of reorganization for the Debtor during the period in which the Debtor has me exclusive right to file a plan of reorganization ("Plan") and seek acceptance of such a Plan as provided in Section 1121 of the Bankruptcy Code.
2. With respect to the M&O Group, and regardless of whether authorization to take such action is otherwise required form this Court or the English High Court, the Joint Administrators and the Debtor under the direction of the Joint Administrators shall, in good faith, attempt to obtain the consent of the Examiner and shall obtain the approval of the Bankruptcy Court prior to:
- (i) commencing, or causing to be commenced or consented to, bankruptcy or insolvency proceedings (whether in the United States or elsewhere) with respect to any member of the M&O Group;
  - (ii) in any Chapter 11 case involving any member of the M&O Group, acting to convert or seek to convert such case to a case under Chapter 7 of the Bankruptcy Code;
  - (iii) causing any member of the M&O Group to borrow funds;

- (iv) causing any member of the M&O Group to pledge or charge any assigns
  - (v) causing any member of the M&O Group to sell or dispose of any share or other assets outside the ordinary course of business.
3. The Joint Administrators and the Debtor under the direction of the Joint Administrators shall attempt in good faith to obtain the prior consent of the Examiner and, if such consent is not given, shall obtain the approval of the Bankruptcy Court prior to:
- (i) replacing, firing, or materially reducing the operating responsibilities of Shaffer (without otherwise detracting from the Joint Administrators' powers and authority as corporate governance of the Debtor);
  - (ii) exercising the voting rights of the Debtor or the M&O Group with respect to stock of any member of the M&O Group, except that such consent or approval shall not be required to exercise the voting rights of stock of M&O Affiliates to the extent:
    - (1) the Joint Administrators have first consulted with the Examiner concerning such exercise; and
    - (2) such voting rights are not exercised in a manner inconsistent with the provisions, spirit or intent of this Order;
  - (iii) filing a plan of reorganization under Chapter 11 for any member of the M&O Group (to the extent that any of them is the subject of a Chapter 11 case) during the period in which such member has the exclusive right to file a plan of reorganization and seek acceptance of such plan as provided in Section 1121 of the Bankruptcy Code;
  - (iv) causing any member of the M&O Group to commence material legal proceed-

ings;

- (v) except as provided in paragraph D, procuring the appointment of any director of any member of the M&O Group;
  - (vi) causing the Debtor or any of its subsidiaries to take any action which is intended to or the reasonably anticipated consequences of which would have a material adverse impact on any significant member of the M&O Group.
4. The Joint Administrators may, without the prior consent of the Examiner and without giving prior notice to him, carry out investigations into the financial dealings of the members of the M&O Group provided that the Joint Administrators shall report on the details of such matters to the Examiner at weekly or such other intervals as may be agreed between the Joint Administrators and the examiner. With respect to the subsidiaries and affiliates of the Debtor that are not members of the M&O Group (the “Other Subsidiaries”) or any other assets outside the M&O Group,
- (a) The Joint Administrators and the Debtor under the direction of the Joint Administrators shall, in good faith, attempt to obtain the prior consent of the Examiner and shall obtain the approval of the Bankruptcy Court prior to:
    - (i) disposing of shares in any of the Other Subsidiaries or any other assets outside the M&O Group or cause any of the Other Subsidiaries to dispose of any assets, for a consideration, in any one case, in excess of £25,000,000;
    - (ii) causing any of the Other Subsidiaries to borrow funds or pledge or charge any of its assets to secure indebtedness (if the aggregate of all such borrowings, pledges and charges for any single Other Subsidiary is in an amount exceeding £25,000,000 at any one time) or lend money to Other Subsidiaries (if the aggregate amount so loaned by any single Other Subsidiary shall exceed £25,000,000 at any one time);

or

- (iii) causing any Other Subsidiary to commence a case under the Bankruptcy Code or file a petition for relief under Section 304 of the Bankruptcy Code.
- (b) The Joint Administrators and the Debtor under the direction of the Joint Administrators shall, in good faith attempt to obtain the prior consent of the Examiner and, if such consent is not given, shall obtain the approval of the Bankruptcy Court, prior to filing a plan of reorganization under Chapter 11 for any of the Other Subsidiaries (to the extent that any of them is the subject of a Chapter 11 case) during the period in which the relevant company has the exclusive right to file a plan of reorganization and to seek acceptance of such a plan as provided in Section 1121 of the Bankruptcy Code.
- (c) The Joint Administrators and the Debtor under the direction of the Joint Administrators may, subject to prior notification to the Examiner:
- (i) exercise the voting rights of the relevant company with respect to stock of any of the Other Subsidiaries other than to effect matters covered by Clause (d) below;
  - (ii) dispose of shares in any of the Other Subsidiaries or any other assets outside the M&O Group, or cause any of the Other Subsidiaries to dispose of any assets, for a consideration, in any one case, in excess of £7,000,000 but not exceeding £25,000,000,
  - (iii) cause any of the Other Subsidiaries to borrow funds or pledge or charge any of its assets to secure indebtedness in the aggregate of all such borrowings, pledges and charges for any single Other Subsidiary is in an amount exceeding £7,000,000 but not exceeding £25,000,000 at any one time) or lend money to Other Subsidiaries of the aggregate amount so loaned by any single Other Subsidiary in an amount exceeding £7,000,000 but not exceeding £25,000,000 any one time);

- (iv) cause any of the Other Subsidiaries to commence material legal proceedings,
  - (v) commence, cause to be commenced or consented to, bankruptcy or insolvency proceedings with regard to any of the Other Subsidiaries.
- (d) The Joint Administrators and the Debtor under the direction of the Joint Administrators may without the prior consent of the Examiner and without giving prior notice to him:
- (i) cause any of the Other Subsidiaries to borrow funds or pledge or charge any of its assets to secure indebtedness (if the aggregate of all such borrowings, pledges and charges for any single Other Subsidiary is in an amount not exceeding £7,000,000 at any one time) or lend money to Other Subsidiaries and the aggregate amount so loaned by any single Other Subsidiary is in an amount not exceeding £7,000,000 at any one time);
  - (ii) dispose of shares in any of the Other Subsidiaries or any other assets outside the M&O Group, or cause any of the Other Subsidiaries to dispose of assets, for a consideration, in any one case, not exceeding £7,000,000;
  - (iii) cause any of the Other Subsidiaries to replace, fire or materially reduce the operating responsibilities of any executive officer; and
  - (iv) carry out investigations into the financial dealings of any of the Other Subsidiaries; provided that, with respect to each of the matters described in this paragraph G.5(d), the Joint Administrators shall report on the details of such matters to the Examiner at weekly or such other intervals as may be agreed between the Joint Administrators and the Examiner.
- (e) For the purposes of this Clause G.5, "consideration" in relation to the sale of shares means

the consideration for the shares plus the amount of inter company debt repaid.

6. The Joint Administrators and the Examiner confirm that (i) the objective of the parties is for the Debtor's Chapter 11 plan and the Joint Administrators' proposals in the Administration to provide for essentially similar arrangements with respect to the M&O Group, (ii) during the period specified in paragraph G.1(iii), the Examiner will be consulted with respect to and be involved in the formulation and negotiation of any plan of reorganization in Chapter 11 that the Debtor under the direction of the Joint Administrators or the Joint Administrators propose to file at any time and after such period the Joint Administrators will keep the Examiner informed of any plan and will consult with the Examiner with respect to the formulation thereof, and (iii) Shaffer (subject to paragraph G.3(i) hereof) will also be consulted with, and his views will be considered, with respect to any such plan.

Dated: January 15, 1992  
New York, New York

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/s/ Richard Gitlin  
Richard Gitlin, Examiner

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/s/ Andrew Mark Homan  
The Joint Administrators  
by Andrew Mark Homan

**SCHEDULE 1**  
**THE M&O GROUP**

Macmillan, Inc.

Official Airline Guides, Inc.

All subsidiaries or sub Subsidiaries of the Above, except as noted below with respect to Berlitz International, Inc.

- \* Molecular Design (UK) Limited
- \* Maxwell Macmillan Publishing Singapore
- \* Maxwell Macmillan Publishing Australia
- \* Maxwell Macmillan International Europe Limited



- \* OAG (Tonbridge)
- \* Ivory Crest
- \* Ivory Crest Holdings
- \* BRS Software Products Scandinavia A/S
- \* BRS Information Technologies
- \* BRS Europe
- \* Information on Demand
- \* Maxwell Dictionaries
- \* Caxton and English Education Programmes International
- \* MLL Holdings

Macmillan/McGraw-Hill School Publishing Company

The Examiner and the Joint Administrators have agreed to delete International, Inc. (“Berlitz”) from this Schedule 1 for reasons of their own convenience. Such deletion is without prejudice to reinstatement of berlitz Schedule 1 (after notice to Berlitz and an opportunity for a hearing) and without prejudice to any claim, assertion or position that Maxwell Communication Corporation pic or any of its subsidiaries and sub-subsidiaries, including Macmillan Inc. (and its subsidiaries and sub-subsidiaries), may have or take regarding ownership of shares issued or to be issued by Berlitz and any other matter concerning Berlitz.

**SCHEDULE 2**  
**MEMBERS OF THE BANK COMMITTEE\***

Bank of America N.T. & S.

Bank of Nova Scotia,

Barclays Bank pic

The Chase Manhattan Bank, NA

Credit Lyonnais

The Fuji Bank, Ltd.

Mellon Bank, NA

Union Bank of Switzerland

Westpac Banking Corporation

This Schedule 2 is subject to modification or supplementation from time to time on written notice filed with the Bankruptcy Court by counsel for the Bank Committee and served upon the Joint Administrators, the Examiner, the United State Trustee and any official committee formed in this case (as and when formed).