UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE TO
Tender Offer Statement under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

Rosetta Stone Inc.
(Name of Subject Company (Issuer))

Empower Merger Sub Inc.
(Name of Filing Persons (Offeror))
a wholly-owned subsidiary of

Cambium Holding Corp.
(Name of Filing Persons (Parent of Offeror))

Common Stock, par value $0.00005 per share
(Title of Class of Securities)

777780107
(CUSIP Number of Class of Securities)

Daniel Sugar
Veritas Capital Fund Management, L.L.C.
9 West 57th Street, 32nd Floor
New York, New York 10019
(212) 415-6700
(Name, address, and telephone numbers of person authorized
to receive notices and communications on behalf of filing persons)

With copies to:
Richard A. Presutti
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
(212) 756-2000

CALCULATION OF FILING FEE

<table>
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<th>Transaction Valuation*</th>
<th>Amount Of Filing Fee**</th>
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<td>$791,735,806.71</td>
<td>$102,767.31</td>
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* Estimated for purposes of calculating the filing fee only. The transaction valuation was calculated by adding the sum of (i) 24,609,055 shares of common stock (including 478,356 shares of restricted common stock), par value $0.00005 per share (the “Company Shares”), of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), issued and outstanding, multiplied by the offer price of $30.00 per share; (ii) 299,571 Company Shares reserved for issuance upon the settlement of outstanding Rosetta Stone restricted stock unit awards multiplied by the offer price of $30.00 per share; (iii) 419,401 Company Shares reserved for issuance upon settlement of outstanding Rosetta Stone performance stock unit awards multiplied by the offer price of $30.00 per share; and (iv) 1,542,539 Company Shares issuable pursuant to outstanding options with an exercise price less than the offer price of $30.00 per share, multiplied by the offer price of $30.00 per share minus the exercise price for each such option. The foregoing share figures have been provided by Rosetta Stone to the Offeror and are as of September 11, 2020, the most recent practicable date.

** The filing fee, calculated in accordance with Rule 0-11 of the Securities Exchange Act of 1934, as amended, and Fee Advisory Rate #1 for fiscal year 2020, issued October 1, 2019, is calculated by multiplying the Transaction Valuation by 0.0001298.

☐ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: N/A
Form or Registration No.: N/A
Filing Party: N/A
Date Filed: N/A

☐ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.
Check the appropriate boxes below to designate any transactions to which the statement relates:

☒ third-party tender offer subject to Rule 14d-1.
☐ issuer tender offer subject to Rule 13e-4.
☐ going-private transaction subject to Rule 13e-3.
☐ amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: ☐

If applicable, check the appropriate box(es) below to designate the appropriate rule provision(s) relied upon:

☐ Rule 13e-4(i) (Cross-Border Issuer Tender Offer)
☐ Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)
This Tender Offer Statement on Schedule TO (together with any amendments and supplements hereto, this “Schedule TO”) is being filed by Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership (the “Sponsor”). This Schedule TO relates to the offer by the Offeror to purchase all of the issued and outstanding Company Shares at a purchase price of $30.00 per share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and in the related Letter of Transmittal (the “Letter of Transmittal” which, together with the Offer to Purchase, as each may be amended or supplemented from time to time in accordance with the Merger Agreement described below, collectively constitute the “Offer”), copies of which are annexed to and filed with this Schedule TO as Exhibits (a)(1)(A) and (a)(1)(B), respectively. All the information set forth in the Offer to Purchase is incorporated herein by reference in response to Items 1 through 9 and Item 11 in this Schedule TO and is supplemented by the information specifically provided in this Schedule TO. The Agreement and Plan of Merger, dated as of August 29, 2020, by and among Parent, the Offeror and Rosetta Stone, a copy of which is attached as Exhibit (d)(1) hereto, is incorporated herein by reference with respect to Items 4 through 11 of this Schedule TO. Unless otherwise indicated, references to sections in this Schedule TO are references to sections of the Offer to Purchase.

ITEM 1. SUMMARY TERM SHEET.

The information set forth in the section entitled “Summary Term Sheet” of the Offer to Purchase is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) The name of the subject company and the issuer of the securities to which this Schedule TO relates is Rosetta Stone Inc., a Delaware corporation. Rosetta Stone’s principal executive offices are located at 1621 N. Kent Street, Suite 1200, Arlington, VA 22209. Rosetta Stone’s telephone number is (703) 387-5800.

(b) This Schedule TO relates to the outstanding Company Shares. Rosetta Stone has advised the Offeror and Parent that, as of September 11, 2020 (the most recent practicable date), 24,609,055 Company Shares (including 478,356 shares of restricted common stock) were issued and outstanding.

(c) The information set forth in Section 6 (entitled “Price Range of Company Shares; Dividends”) of the Offer to Purchase is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF FILING PERSON.

(a)-(c) This Schedule TO is filed by the Offeror and Parent. The information set forth in Section 9 (entitled “Certain Information Concerning the Offeror, Parent and the Sponsor”) of the Offer to Purchase and Schedule A to the Offer to Purchase is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a)(1)(i)-(viii), (xii), (a)(2)(i)-(iv), (vii) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Introduction”
- the “Summary Term Sheet”
- “The Tender Offer—Section 1—Terms of the Offer”
- “The Tender Offer—Section 2—Acceptance for Payment and Payment for Company Shares”
ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.
(a), (b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:
   • the “Introduction”
   • the “Summary Term Sheet”
   • “The Tender Offer—Section 9—Certain Information Concerning the Offeror, Parent and the Sponsor”
   • “The Tender Offer—Section 10—Background of the Offer; Contacts with Rosetta Stone”
   • “The Tender Offer—Section 11—Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents”
   • Schedule A

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.
(a), (c)(1)-(7) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:
   • the “Introduction”
   • the “Summary Term Sheet”
   • “The Tender Offer—Section 7—Certain Effects of the Offer”
   • “The Tender Offer—Section 10—Background of the Offer; Contacts with Rosetta Stone”
   • “The Tender Offer—Section 11—Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents”
   • Schedule A
ITEM 7. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.
(a), (b), (d) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- “The Tender Offer—Section 11—Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents”
- “The Tender Offer—Section 12—Source and Amount of Funds”

ITEM 8. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.
(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- “The Tender Offer—Section 9—Certain Information Concerning the Offeror, Parent and the Sponsor”
- Schedule A

(b) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- “The Tender Offer—Section 9—Certain Information Concerning the Offeror, Parent and the Sponsor”
- Schedule A

ITEM 9. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.
(a) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- the “Summary Term Sheet”
- “The Tender Offer—Section 3—Procedures for Tendering Company Shares”
- “The Tender Offer—Section 10—Background of the Offer; Contacts with Rosetta Stone”
- “The Tender Offer—Section 17—Fees and Expenses”

ITEM 10. FINANCIAL STATEMENTS.
Not applicable.

ITEM 11. ADDITIONAL INFORMATION.
(a)(1) The information set forth in the following sections of the Offer to Purchase is incorporated herein by reference:

- “The Tender Offer—Section 9—Certain Information Concerning the Offeror, Parent and the Sponsor”
ITEM 12. EXHIBITS.

<table>
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<td>(a)(1)(A)</td>
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<td>Form of Letter of Transmittal (including Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9).*</td>
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<td>(a)(1)(C)</td>
<td>Form of Notice of Guaranteed Delivery.*</td>
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<td>(a)(1)(D)</td>
<td>Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*</td>
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<tr>
<td>(a)(1)(E)</td>
<td>Form of Letter to Clients for Use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.*</td>
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ITEM 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

* Filed herewith
SIGNATURES
After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

EMPOWER MERGER SUB INC.
By: /s/ BARBARA BENSON
    Name: Barbara Benson
    Title: Chief Financial Officer

CAMBIUM HOLDING CORP.
By: /s/ BARBARA BENSON
    Name: Barbara Benson
    Title: Chief Financial Officer

Dated: September 15, 2020
Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI L.P., a Delaware limited partnership (the “Sponsor”), is offering to purchase all of the issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share (the “Common Stock”), of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone” or the “Company”), at a purchase price of $30.00 per share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (the “Letter of Transmittal”), which, together with this Offer to Purchase, as each may be amended or supplemented from time to time in accordance with the Merger Agreement described below, collectively constitute the “Offer”.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of August 29, 2020, by and among Parent, the Offeror and Rosetta Stone (as it may be amended and supplemented from time to time, the “Merger Agreement”), pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation (the “Surviving Corporation”) in the Merger as a wholly-owned subsidiary of Parent. At the Effective Time (as defined in “Introduction” below), each issued and outstanding Company Share (other than (i) Company Shares owned by Rosetta Stone or any of its subsidiaries (including Company Shares held as treasury stock), or owned by Parent or any of its subsidiaries, including the Offeror, in each case, immediately prior to the Effective Time and (ii) Company Shares owned by any stockholders who have properly exercised their appraisal rights under Section 262 of the Delaware General Corporation Law (the “DGCL”)) will be converted automatically into and will thereafter represent only the right to receive an amount in cash equal to the Offer Price, net of applicable withholding taxes and without interest. As a result of the Merger, the Company Shares will cease to be publicly traded, and Rosetta Stone will become a wholly-owned subsidiary of Parent. The Offer, the Merger and the other transactions contemplated by the Merger Agreement, but excluding, in any event, the Financing (as defined in Section 12—“Sources and Amount of Funds” below), are collectively referred to in this Offer to Purchase as the “Transactions”.

The board of directors of Rosetta Stone (the “Rosetta Stone Board”) has unanimously (with one director having recused herself) (a) determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Rosetta Stone and its stockholders, (b) approved, declared advisable and adopted the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, (c) resolved that the Merger Agreement and the Merger will be governed by and effected under Section 251(h) of the DGCL and (d) recommended that Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror in the Offer (such recommendation, the “Rosetta Stone Board Recommendation”).

The Merger Agreement contemplates that the Merger will be effected pursuant to Section 251(h) of the DGCL, which permits completion of the Merger upon the collective ownership by Parent, the Offeror and any other affiliate of Parent of one share more than 50% of the then outstanding Company Shares, and, if the Merger is so effected pursuant to Section 251(h) of the DGCL, no vote of Rosetta Stone’s stockholders will be required to adopt the Merger Agreement or consummate the Merger. Subject to the acquisition by Parent, the Offeror and any other affiliate of Parent of the requisite number of Company Shares to satisfy the foregoing ownership requirement, Parent and the Offeror do not foresee any event, condition or circumstance that would prevent them from consummating the Merger pursuant to Section 251(h) of the DGCL following consummation of the Offer.

The Offer is not subject to any financing condition. The obligation of the Offeror to purchase the Company Shares validly tendered pursuant to the Offer is conditioned upon, among other things: (a) the number of Company Shares validly tendered (and not properly withdrawn) prior to the expiration of the Offer (but excluding Company Shares tendered pursuant to guaranteed delivery procedures that have not yet been “received” by the “depository,” as such terms are defined by Section 251(h)(6) of the DGCL), together with the Company Shares then owned by the Offeror and its affiliates, representing at least a majority of the total number of then issued and outstanding Company Shares; (b) the expiration or termination of any waiting period (and any extensions thereof) applicable to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (c) the absence of any law, order or other legal restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or governmental authority that would prohibit, restrain, render illegal or enjoin the consummation of the Offer or the Merger; (d) the accuracy of Rosetta Stone’s representations and warranties contained in the Merger Agreement (subject to certain qualifications); (e) Rosetta Stone’s performance or compliance, in all material respects, with its covenants and agreements required to be performed or complied with by it under the Merger Agreement at or prior to the Acceptance Time (as defined in “Introduction” below); (f) since the date of the Merger Agreement, no event, change, effect, development, condition or occurrence having occurred or being continuing that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect (as defined in Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents” below); (g) the receipt by Parent and the Offeror of a certificate of an executive officer of Rosetta Stone as to the satisfaction of the conditions referred to in clauses (d), (e) and (f) above; and (h) the Merger Agreement not having been terminated in accordance with its terms. The Offer is also subject to certain other terms and conditions. See Section 13—“Conditions of the Offer.”

A summary of the principal terms of the Offer appears under the heading “Summary Term Sheet.” You should read this entire Offer to Purchase carefully before deciding whether to tender your Company Shares pursuant to the Offer.

The Information Agent for the Offer is:

Okapi Partners LLC
1212 Avenue of the Americas, 24th Floor
New York, NY 10036

Banks and Brokerage Firms, Please Call: (212) 297-0720
Stockholders and All Others Call Toll-Free: (855) 208-8901

Email: info@okapipartners.com
If you desire to tender all or any portion of your Company Shares to the Offeror pursuant to the Offer, you must (a) follow the procedures described in Section 3—“Procedures for Tendering Company Shares” below or (b) if your Company Shares are held by a broker, dealer, commercial bank, trust company or other nominee, contact such nominee and request that they effect the transaction for you and tender your Company Shares.

If you desire to tender your Company Shares to the Offeror pursuant to the Offer and the certificates representing your Company Shares are not immediately available, or you cannot comply in a timely manner with the procedures for tendering your Company Shares by book-entry transfer, or cannot deliver all required documents to Broadridge Corporate Issuer Solutions, Inc. (the “Depository and Paying Agent”) by the expiration of the Offer, you may tender your Company Shares to the Offeror pursuant to the Offer by following the procedures for guaranteed delivery described in Section 3—“Procedures for Tendering Company Shares” of this Offer to Purchase.

Beneficial owners of Company Shares holding their Company Shares through nominees should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners holding Company Shares through a broker, dealer, commercial bank, trust company or other nominee and who wish to participate in the Offer should contact such nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Offer.

Questions and requests for assistance may be directed to Okapi Partners LLC, the “Information Agent” for the Offer, at its address and telephone number set forth on the back cover of this Offer to Purchase. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may also be directed to the Information Agent. Additionally, copies of this Offer to Purchase, the related Letter of Transmittal, the Notice of Guaranteed Delivery and any other material related to the Offer may be obtained at the website maintained by the U.S. Securities and Exchange Commission (which we refer to as the “SEC”) at www.sec.gov. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance.

Neither the SEC nor any state securities commission has approved or disapproved of the Offer or passed upon the merits or fairness of the Offer or passed upon the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offense.

No person has been authorized to give any information or to make any representation on behalf of Parent or the Offeror not contained herein or in the Letter of Transmittal, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer, bank, trust company, fiduciary or other person will be deemed to be the agent of Parent, the Offeror, the Depositary and Paying Agent, or the Information Agent for the purpose of the Offer.

This Offer to Purchase and the Letter of Transmittal contain important information, and you should read both documents carefully and in their entirety before making a decision with respect to the Offer.
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SUMMARY TERM SHEET

The information contained in this summary term sheet is a summary only and is not meant to be a substitute for the more detailed description and information contained in this Offer to Purchase, the Letter of Transmittal and the other exhibits to the Schedule TO. We have included cross-references in this summary term sheet to other sections of this Offer to Purchase where you will find more complete descriptions of the topics mentioned below. The information concerning Rosetta Stone (as defined below) contained herein and elsewhere in this Offer to Purchase has been provided to Parent (as defined below) and the Offeror (as defined below) by Rosetta Stone or has been taken from, or is based upon, publicly available documents or records of Rosetta Stone on file with the U.S. Securities and Exchange Commission (the “SEC”) or other public sources at the time of the Offer (as defined in the “Introduction” to this Offer to Purchase). Parent and the Offeror have not independently verified the accuracy and completeness of such information. Parent and the Offeror have no knowledge that would indicate that any of the statements contained herein relating to Rosetta Stone provided to Parent and the Offeror or taken from, or based upon, such documents and records filed with the SEC are untrue or incomplete in any material respect. Following the Summary Term Sheet are some questions you, as a stockholder of Rosetta Stone, may have and answers to those questions. You should carefully read this entire Offer to Purchase and the other documents to which this Offer to Purchase refers to understand fully the Offer, the Merger Agreement (as defined below) and the other Transactions (as defined below) because the information in this summary term sheet is not complete. Questions or requests for assistance may be directed to the Information Agent at the address and telephone numbers available on the back cover of this Offer to Purchase. References to “we,” “us,” or “our,” unless the context otherwise requires, are references to the Offeror.

Securities Sought
All issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”).

Price Offered Per Share
$30.00 per share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest.

Scheduled Expiration Time
At one minute after 11:59 p.m., New York City time, on October 13, 2020, unless the Offer is extended or earlier terminated.

Offeror
Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”). Parent is a portfolio company of The Veritas Capital Fund VI L.P. and its affiliates (the “Sponsor”).

Who is offering to buy my securities?
The Offeror is offering to purchase for cash all of the outstanding Company Shares. The Offeror is a Delaware corporation that was formed for the sole purpose of making the Offer and effecting the transaction in which the Offeror will be merged with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation (the “Surviving Corporation”) in the Merger as a wholly-owned subsidiary of Parent, pursuant to that certain Agreement and Plan of Merger, dated as of August 29, 2020, by and among Parent, the Offeror and Rosetta Stone (as it may be amended and supplemented from time to time, the “Merger Agreement”). The Offeror is a wholly-owned subsidiary of Parent. Parent is a portfolio company of the Sponsor. See the “Introduction” to this Offer to Purchase and Section 9—“Certain Information Concerning the Offeror, Parent and the Sponsor.” The Offer, the Merger and the other transactions contemplated by the Merger Agreement, but excluding, in any event, the Financing (as defined in Section 12—“Sources and Amount of Funds” of this Offer to Purchase) are collectively referred to in this Offer to Purchase as the “Transactions.”
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What securities are you offering to purchase?
We are offering to purchase all of the outstanding Company Shares. See “Introduction” and Section 1—“Terms of the Offer.”

How much are you offering to pay for my securities, and what is the form of payment?
We are offering to pay $30.00 per Company Share, net to you in cash, net of applicable withholding taxes and without interest. If you are the record holder of your Company Shares (i.e., a stock certificate has been issued to you and registered in your name or your Company Shares are registered in “book-entry” form in your name with Rosetta Stone’s transfer agent) and you directly tender your Company Shares to Broadridge Corporate Issuer Solutions, Inc. (the “Depositary and Paying Agent”) in the Offer, you will not have to pay brokerage fees or commissions. If you own your Company Shares through a broker, dealer, commercial bank, trust company or other nominee, and your broker, dealer, commercial bank, trust company or other nominee tenders your Company Shares on your behalf, your broker, dealer, commercial bank, trust company or other nominee may charge you a fee for doing so. You should consult your broker, dealer, commercial bank, trust company or other nominee to determine whether any charges will apply. See “Introduction.” See Section 1—“Terms of the Offer” and Section 2—“Acceptance for Payment and Payment for Company Shares.”

Will you have the financial resources to make payment?
Yes. Consummation of the Offer (the “Offer Closing”) is not subject to any financing condition. The total amount of funds required by Parent and the Offeror to consummate the Offer and to provide funding for the Merger is approximately $792 million, plus related fees and expenses. Parent and the Offeror expect to fund such cash requirements from the proceeds from (1) incremental debt facilities under Cambium Learning Group, Inc.’s, a wholly-owned subsidiary of the Offeror, existing first lien credit facility (the “Existing First Lien Credit Agreement”) and its existing second lien credit facility (the “Existing Second Lien Credit Agreement” and, together with the Existing First Lien Credit Agreement, the “Existing Credit Agreements”) contemplated by a debt commitment letter, dated August 29, 2020, that was entered into in connection with the execution of the Merger Agreement (the “Debt Commitment Letter”), which provides for (i) a commitment from certain lenders to provide a $425.0 million incremental senior secured first lien term loan facility and a $25.0 million increase to the revolver (collectively, the “First Lien Incremental Term Loan Facility”), in each case pursuant to the Existing First Lien Credit Agreement and (ii) a commitment from certain lenders to provide a $150.0 million incremental senior secured second lien term loan facility (the “Second Lien Incremental Term Loan Facility” and, together with the First Lien Incremental Term Loans, the “Incremental Term Loans”) pursuant to the Existing Second Lien Credit Agreement, in each case, for the purpose of financing the Transactions and paying transaction-related fees, commissions and expenses and repaying certain of Rosetta Stone’s existing indebtedness, among other things and (2) an equity investment contemplated pursuant to an equity commitment letter, dated August 29, 2020, that Parent entered into in connection with the execution of the Merger Agreement (the “Equity Commitment Letter” and, together with the Debt Commitment Letter, the “Commitment Letters”) which provides for up to $221.0 million in aggregate of equity financing and (3) Rosetta Stone’s available cash following the Merger. Funding of the Incremental Term Loan Facilities contemplated by the Debt Commitment Letter and the equity financing contemplated by the Equity Commitment Letter is subject to the satisfaction of various customary conditions. See Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents” and Section 12—“Sources and Amount of Funds” of this Offer to Purchase.

Is your financial condition material to my decision to tender in the Offer?
No. We do not believe our financial condition is material to your decision whether to tender your Company Shares and accept the Offer because (a) we were organized solely in connection with the Offer and the Merger and, prior to the Expiration Time (as defined below), will not carry on any activities other than in connection with the Offer and the Merger, (b) the Offer is being made for all of the issued and outstanding Company Shares
solely for cash, (c) the Offer is not subject to any financing condition, (d) if we consummate the Offer, subject to the satisfaction or waiver of certain conditions, we have agreed to acquire all remaining Company Shares (other than (i) Company Shares owned by Rosetta Stone or any of its subsidiaries (including Company Shares held as treasury stock) or owned by Parent or any of its subsidiaries, including the Offeror (including any Company Shares acquired by the Offeror in the Offer), in each case, immediately prior to the Effective Time (as defined in “Introduction” below) and (ii) Company Shares owned by any stockholders who have properly exercised their appraisal rights under Section 262 of the Delaware General Corporation Law (the “DGCL”)) for cash at the same price per share in the Merger as the Offer Price and (e) we have all financial resources, including committed debt and equity financing sufficient to finance the Offer and the Merger. See Section 12—“Sources and Amount of Funds.”

What are the most significant conditions to the Offer?

The Offer is conditioned upon, among other things:

• the number of Company Shares validly tendered (and not properly withdrawn) prior to the expiration of the Offer (but excluding Company Shares tendered pursuant to guaranteed delivery procedures that have not yet been “received” by the “depository,” as such terms are defined by Section 251(h)(6) of the DGCL), together with the Company Shares then owned by the Offeror or its affiliates, representing at least a majority of the total number of then issued and outstanding Shares (the “Minimum Condition”);

• the expiration or termination of any waiting period (and any extensions thereof) applicable to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”);

• the accuracy of Rosetta Stone’s representations and warranties contained in the Merger (subject to certain qualifications) (the “Representations Condition”);

• Rosetta Stone’s performance or compliance, in all material respects, with its covenants and agreements contained in the Merger Agreement and required to be performed or complied with by it at or prior to the Acceptance Time (the “Covenants Condition”);

• since the date of the Merger Agreement, no event, change, effect, development, condition or occurrence having occurred or be continuing that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect (the “MAE Condition”);

• no order preventing, enjoining, restraining, prohibiting or making illegal the consummation of the Merger or the other transactions contemplated in the Merger Agreement shall have been issued, enacted, promulgated, enforced or entered by any governmental entity of competent jurisdiction and remain in effect, and there shall not be any legal requirement issued, enacted, promulgated, enforced or entered that makes consummation of the Merger or the other transactions contemplated in the Merger Agreement illegal or prevents, enjoins, restrains or prohibits the consummation of the Merger or the other transactions contemplated in the Merger Agreement;

• the receipt by Parent and the Offeror of a certificate of an executive officer of Rosetta Stone as to the satisfaction of the Representations Conditions, the Covenants Condition and the MAE Condition; and

• the Merger Agreement not having been terminated in accordance with its terms (the “Termination Condition”).

According to the Merger Agreement, as of the close of business on August 21, 2020, the authorized capital stock of Rosetta Stone consisted of (a) 190,000,000 Company Shares, of which 24,120,958 Company Shares were outstanding as of such date, (b) 10,000,000 shares of Rosetta Stone Preferred Stock, of which no shares were outstanding as of such date, (c) 1,553,300 Company Shares subject to issuance pursuant to outstanding Company Options (as defined below); (d) 299,571 Company Shares subject to issuance pursuant to outstanding Company...
Non-Performance RSUs (as defined below); (e) 661,584 Company Shares subject to issuance pursuant to outstanding Company Performance RSUs (as defined below); and (f) 479,594 Company Shares that were Company Restricted Shares (as defined below), in case of clauses (c) through (f) issued pursuant to Rosetta Stone’s Amended and Restated 2009 Omnibus Incentive Plan and Rosetta Stone’s 2019 Omnibus Incentive Plan (the “Company Equity Plans”).

Assuming no additional Company Shares were issued after September 11, 2020, based on the Company Shares outstanding as of September 11, 2020, the aggregate number of Company Shares the Offeror must acquire in the Offer in order to satisfy the Minimum Condition is 12,304,528 Company Shares, which represents a majority of the total number of then issued and outstanding Company Shares as of September 11, 2020.

We can waive some of the Conditions of the Offer without the consent of Rosetta Stone. We cannot, however, waive the Minimum Condition or the Termination Condition.

See Section 13—“Conditions of the Offer.”

Is there an agreement governing the Offer?

Yes. Parent, the Offeror and Rosetta Stone have entered into the Merger Agreement. The Merger Agreement provides, among other things, for the terms and Conditions of the Offer and, following consummation of the Offer, the Merger. See Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents.”

What does the Rosetta Stone Board think about the Offer?

The Rosetta Stone Board has unanimously (with one director having recused herself) (a) determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Rosetta Stone and its stockholders, (b) approved, declared advisable and adopted the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, (c) resolved that the Merger Agreement and the Merger will be governed by and effected under Section 251(h) of the DGCL and (d) recommended that Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror in the Offer (such recommendation, the “Rosetta Stone Board Recommendation”).

For the reasons described in the Schedule 14D-9 filed with the SEC in connection with the Offer (“Schedule 14D-9”), the Rosetta Stone Board unanimously (with one director recusing herself) recommends that Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror pursuant to the Offer. A more complete description of the Rosetta Stone Board’s reasons for authorizing and approving the Transactions are set forth in the Schedule 14D-9, a copy of which (without certain exhibits) is being furnished to Rosetta Stone’s stockholders concurrently herewith.

Has the Rosetta Stone Board received a fairness opinion in connection with the Offer and the Merger?

Yes. Goldman Sachs & Co. LLC, the financial advisor to the Rosetta Stone Board (the “Financial Advisor”), delivered an oral opinion to the Rosetta Stone Board on August 29, 2020, and confirmed by delivery of a written opinion, that, subject to the assumptions, limitations, qualifications and other matters set forth therein, as of such date, the Per Share Amount (as defined in the Merger Agreement) to be received by the holders of Company Shares in the Merger was fair, from a financial point of view, to such holders. The full text of the written opinion of the Financial Advisor, which describes the matters considered, the procedures followed, the assumptions made, and the various limitations of and qualifications to the review undertaken in preparing the opinion, is annexed to the Schedule 14D-9. Stockholders are urged to read the full text of the opinion carefully and in its entirety.
How long do I have to decide whether to tender in the Offer?

If you desire to tender all or any portion of your Company Shares to the Offeror pursuant to the Offer, you must comply with the procedures described in this Offer to Purchase and the Letter of Transmittal, as applicable, by the Expiration Time. The term “Expiration Time” means one minute after 11:59 p.m., New York City time, on October 13, 2020 (the date that is 20 business days following the commencement (within the meaning of Rule 14d-2 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the Offer), unless the Offeror has extended the Offer, in which event the term “Expiration Time” means the latest time and date at which the offering period of the Offer, as so extended by the Offeror, will expire.

If you desire to tender all or any portion of your Company Shares to the Offeror pursuant to the Offer and you cannot deliver everything that is required in order to make a valid tender by the Expiration Time, you may be able to use a guaranteed delivery procedure by which a broker, a bank or a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”) may guarantee that the missing items will be received by the Depositary and Paying Agent within two trading days of the New York Stock Exchange (the “NYSE”).

For the tender to be valid, however, the Depositary and Paying Agent must receive the missing items within such two-trading-day period. See Section 1—“Terms of the Offer” and Section 3—“Procedures for Tendering Company Shares.”

Beneficial owners of Company Shares holding their Company Shares through nominees should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners holding Company Shares through a broker, dealer, commercial bank, trust company or other nominee and who wish to participate in the Offer should contact their nominee as soon as possible in order to determine the times by which such owner must take action in order to participate in the Offer.

Can the Offer be extended and under what circumstances?

Yes. We have agreed in the Merger Agreement that, subject to our rights to terminate the Merger Agreement in accordance with its terms, the Offer may be extended from time to time as follows:

- if, at the then-scheduled Expiration Time, any Offer Condition (as defined under Section 1—“Terms of the Offer” below) has not been satisfied or waived, (a) the Offeror may extend the Offer and the Expiration Time beyond the initial Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied and (b) to the extent requested by Rosetta Stone from time to time, the Offeror will extend (and re-extend) the Offer and the Expiration Time beyond the then-scheduled Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied; provided that the Offeror will not be required to extend the Offer beyond the End Date, nor will the Offeror extend the Offer beyond the End Date, without Rosetta Stone’s prior written consent; and
- the Offeror will extend the Offer and the Expiration Time for the minimum period required by any applicable legal requirements.

How will I be notified if the Offer is extended?

If we extend the Offer, we will inform the Depositary and Paying Agent for the Offer of that fact and will make a public announcement of the extension no later than 9:00 a.m., Eastern Time, on the business day after the day on which the Offer was scheduled to expire.
How do I tender my Company Shares?

If you wish to accept the Offer and:

• you hold your Company Shares through a broker, dealer, commercial bank, trust company or other nominee, you should contact your broker, dealer, commercial bank, trust company or other nominee and give instructions that your Company Shares be tendered in accordance with the procedures described in this Offer to Purchase and the Letter of Transmittal;

• you are a record holder (i.e., a stock certificate has been issued to you and registered in your name or your Company Shares are registered in "book entry" form in your name with Rosetta Stone’s transfer agent), you must deliver the stock certificate(s) representing your Company Shares (or follow the procedures described in this Offer to Purchase for book-entry transfer), together with a properly completed and duly executed Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof) or an Agent’s Message (as defined in Section 3—"Procedures for Tendering Company Shares” below) in connection with a book-entry delivery of Company Shares, and any other documents required by the Letter of Transmittal, to the Depositary and Paying Agent. These materials must reach the Depositary and Paying Agent before the Offer expires; or

• you are a record holder, but your stock certificate is not available or you cannot deliver it to the Depositary and Paying Agent before the Offer expires, you may be able to obtain two additional trading days of the NYSE to tender your Company Shares using the enclosed Notice of Guaranteed Delivery.

See the Letter of Transmittal and Section 3—"Procedures for Tendering Company Shares” for more information.

May I withdraw Company Shares I previously tendered in the Offer? Until what time may I withdraw tendered Company Shares?

Yes. You may withdraw previously tendered Company Shares any time prior to the Expiration Time, and, if not previously accepted for payment, at any time after November 14, 2020, the date that is 60 days after the date of the commencement of the Offer, pursuant to SEC regulations, by following the procedures for withdrawing your Company Shares in a timely manner. To withdraw Company Shares, you must deliver a written notice of withdrawal, or a facsimile of one, with the required information to the Depositary and Paying Agent for the Offer, while you have the right to withdraw the Company Shares. If you tendered your Company Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, you must instruct your broker, dealer, commercial bank, trust company or other nominee prior to the Expiration Time to arrange for the withdrawal of your Company Shares in a timely manner. See Section 4—“Withdrawal Rights.”

If I decide not to tender, how will the Offer affect my Company Shares?

If you decide not to tender your Company Shares pursuant to the Offer and the Merger occurs as described herein, you will receive as a result of the Merger the right to receive the same amount of cash per Company Share as if you had tendered your Company Shares pursuant to the Offer, net of applicable withholding taxes and without interest.

Subject to certain conditions, if we purchase Company Shares in the Offer, we are obligated under the Merger Agreement to cause the Merger to occur.

Will there be a subsequent offering period?

No. Pursuant to Section 251(h) of the DGCL, we expect the Merger to occur as soon as practicable following the Offer Closing without a subsequent offering period.
Do I have to vote to approve the Merger?
Because the Merger will be governed by Section 251(h) of the DGCL, no stockholder vote to adopt the Merger Agreement or any other action by the stockholders of Rosetta Stone will be required in connection with the Merger. Pursuant to the Merger Agreement, the consummation of the Merger will occur as soon as practicable following consummation of the Offer. See Section 7—“Certain Effects of the Offer.”

Are appraisal rights available in either the Offer or the Merger?
No appraisal rights will be available to you in connection with the Offer. However, if we accept Company Shares in the Offer and the Merger is completed, stockholders will be entitled to appraisal rights in connection with the Merger with respect to Company Shares not tendered in the Offer if such stockholders properly perfect their right to seek appraisal under Section 262 of the DGCL. See Section 16—“Appraisal Rights.”

If the Offer is completed, will Rosetta Stone continue as a public company?
No. Following the purchase of Company Shares tendered, we expect to consummate the Merger in accordance with Section 251(h) of the DGCL as soon as practicable following the consummation of the Offer. No stockholder vote by the stockholders of Rosetta Stone will be required in connection with the consummation of the Merger. If the Merger occurs, Rosetta Stone will no longer be publicly owned, registration of Rosetta Stone under the Exchange Act will be terminated, and the Company Shares will cease to be listed on the NYSE. Pursuant to the Merger Agreement, the consummation of the Merger will occur as soon as practicable following consummation of the Offer.

What is the market value of my Company Shares as of a recent date?
The Offer Price of $30.00 per Company Share represents a premium of approximately 87.5% to Rosetta Stone’s unaffected closing price on July 16, 2020, the last trading day before a media report was published speculating about a potential sale process, as further described in Section 10—“Background of the Offer; Contacts with Rosetta Stone”. On September 14, 2020, the last full trading day before the Offeror commenced the Offer, the closing price of the Company Shares reported on the NYSE was $29.90 per Company Share.

We advise you to obtain a recent quotation for Company Shares in deciding whether to tender your Company Shares in the Offer. See Section 6—“Price Range of Company Shares; Dividends.”

Will I be paid a dividend on my Company Shares during the pendency of the Offer?
Under the terms of the Merger Agreement, Rosetta Stone may not, without the prior written consent of Parent, declare, set aside, make or pay any other dividend or make any other distribution in respect of any shares of its capital stock other than certain intercompany dividends and distributions. See Section 6—“Price Range of Company Shares; Dividends,” Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents—The Merger Agreement—Covenants” and Section 14—“Dividends and Distributions.”

If I tender my Company Shares, when and how will I get paid?
If the conditions to the Offer, as set forth in Section 13—“Conditions of the Offer,” are satisfied or, to the extent permitted, waived and we consummate the Offer and accept your Company Shares for payment, we will pay you an amount in cash equal to the number of Company Shares you tendered multiplied by $30.00, net of applicable withholding taxes and without interest, promptly following the Expiration Time. See Section 1—“Terms of the Offer” and Section 2—“Acceptance for Payment and Payment for Company Shares.”

What are the U.S. federal income tax consequences of participating in the Offer or the Merger?
A U.S. Holder (as defined in Section 5—“Certain U.S. Federal Income Tax Consequences”) that disposes of Company Shares pursuant to the Offer or the Merger (plus any applicable withholding taxes) generally will
recognize capital gain or loss equal to the difference between the cash that the U.S. Holder receives pursuant to the Offer or the Merger and the U.S. Holder’s adjusted tax basis in the Company Shares disposed of pursuant to the Offer or the Merger, respectively.

A Non-U.S. Holder (as defined in Section 5—“Certain U.S. Federal Income Tax Consequences”) generally will not be subject to U.S. federal income tax on gain recognized on the disposition of Company Shares pursuant to the Offer or the Merger; unless (a) the gain is effectively connected with the conduct of a trade or business by the Non-U.S. Holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of such Non-U.S. Holder), (b) in the case of a Non-U.S. Holder that is an individual, the Non-U.S. Holder is present in the United States for 183 days or more during the taxable year of the disposition or (c) Rosetta Stone is, or has been at any time during the shorter of the five-year period ending on the date of the disposition or the Non-U.S. Holder’s holding period for its Company Shares, a “United States real property holding corporation” (within the meaning of Section 897 of Internal Revenue Code of 1986, as amended (the “Code”)) and, if the Company Shares are “regularly traded on an established securities market” for U.S. federal income tax purposes, the Non-U.S. Holder held, directly or indirectly, at any time during such period, more than 5% of the issued and outstanding Company Shares.

Rosetta Stone’s stockholders are urged to read carefully Section 5—“Certain U.S. Federal Income Tax Consequences” and to consult their own tax advisors as to the tax consequences applicable to them in their particular circumstances of exchanging their Company Shares pursuant to the Offer or exchanging Company Shares pursuant to the Merger, including the consequences under any applicable state, local, non-U.S. or other tax laws. See Section 5—“Certain U.S. Federal Income Tax Consequences.”

What will happen to stock options awarded under the Company Equity Plans?
Options to purchase Company Shares (each, a “Company Option”) are not affected by the Offer. However, pursuant to the Merger Agreement, each Company Option that is outstanding immediately prior to the Effective Time, whether vested or unvested, will be cancelled, and upon its cancellation, the holder of the Company Option will be entitled to receive, in respect of each Company Share subject to such Company Option immediately prior to such cancellation, an amount (subject to any applicable withholding tax) in cash equal to the Offer Price minus the exercise price per Company Share subject to such Company Option. However, if the Offer Price is less than the exercise price of a Company Option, then such Company Option will be cancelled without any cash or other consideration being paid or provided in respect of the Company Option to its holder. The cash payments will be paid by Rosetta Stone through the Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time). However, if the holder of the Company Option was not an employee of Rosetta Stone or its subsidiaries, such amounts instead will be paid to such holder by Parent or the Depositary and Paying Agent. Each holder of a Company Option cancelled will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest.

What will happen to shares of restricted stock awarded under the Company Equity Plans?
Company Shares subject to vesting or other restrictions (each, a “Company Restricted Share”) are not affected by the Offer. However, pursuant to the terms of the Merger Agreement, each Company Restricted Share that is outstanding immediately prior to the Effective Time, will be cancelled, and upon its cancellation, the holder of the Company Restricted Share will be entitled to receive, an amount (subject to any applicable withholding tax) in cash equal to the Offer Price, payable by Rosetta Stone through Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time). Each holder of a Company Restricted Share cancelled will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest.

What will happen to restricted stock units awarded under the Company Equity Plans?
The Company’s restricted stock units—whether subject to performance-based vesting or (each, a “Company Performance RSU” or vesting solely on continued employment (and not performance (each, a “Company
Non-Performance RSU”)—are not affected by the Offer. However, pursuant to the terms of the Merger Agreement, each Company Performance RSU and Company Non-Performance RSU that is outstanding and has not been settled immediately prior to the Effective Time, will be cancelled and the holder of the Company Performance RSU and Company Non-Performance RSU, as applicable, will be entitled to receive an amount in cash (subject to any applicable withholding tax), payable by Rosetta Stone through Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time).

- With respect to each Company Performance RSU, the cash amount the holder will be entitled to receive will be equal to the Offer Price times the number of Company Shares underlying such Company Performance RSU deemed earned based on projected performance against relevant performance goals based on July 2020 forecasts.

- With respect to each Company Non-Performance RSU, the cash amount the holder will be entitled to receive will be determined by multiplying the number of Company Shares subject to such Company Non-Performance RSU immediately prior to the Effective Time by the Offer Price.

However, that to the extent any Company Performance RSU or Company Non-Performance RSU constitutes nonqualified deferred compensation subject to Section 409A of the Code, such cash payment will be made at the earliest time permitted under the Company Equity Plans. Upon the cancellation of a Company Performance RSU and Company Non-Performance RSU, the holder will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest.

Whom can I contact if I have questions about the Offer?

For further information, you can call Okapi Partners LLC, the Information Agent for the Offer. Banks and Brokerage Firms, please call: (212) 297-0720. Stockholders and all others call toll-free: (855) 208-8901.
To: Holders of Company Shares of Common Stock of Rosetta Stone:

INTRODUCTION

Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI L.P., a Delaware limited partnership (the “Sponsor”), hereby offers to purchase all of the outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share (the “Common Stock”), of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), at a purchase price of $30.00 per Company Share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in this Offer to Purchase and in the related Letter of Transmittal (the “Letter of Transmittal” which, together with any permitted amendments or supplements thereto, collectively constitute the “Offer”).

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of August 29, 2020, by and among Rosetta Stone, Parent and the Offeror (as it may be further amended or supplemented from time to time, the “Merger Agreement”), pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation (the “Surviving Corporation”) in the Merger as a wholly-owned subsidiary of Parent. As a result of the Merger, the Company Shares will cease to be publicly traded, and Rosetta Stone will become a wholly-owned subsidiary of Parent. The Offer, the Merger and the other transactions contemplated by the Merger Agreement, but excluding, in any event, the Financing (as defined in Section 12—“Sources and Amount of Funds” below), are collectively referred to in this Offer to Purchase as the “Transactions”.

If your Company Shares are registered in your name and you tender directly to Broadridge Corporate Issuer Solutions, Inc. as depositary and paying agent, you will not be obligated to pay brokerage fees or commissions on the purchase of Company Shares by the Offeror. If you hold your Company Shares through a broker, dealer, commercial bank, trust company or other nominee, you should check with your broker, dealer, commercial bank, trust company or other nominee as to whether they charge any service fees.

The Offer is not subject to any financing condition. The obligation of the Offeror to purchase the Company Shares validly tendered pursuant to the Offer is conditioned upon, among other things, the following: (a) the number of Company Shares validly tendered (and not properly withdrawn) prior to the expiration of the Offer (but excluding Company Shares tendered pursuant to guaranteed delivery procedures that have not yet been “received” by the “depository,” as such terms are defined by Section 251(h)(6) of the DGCL), together with the Company Shares then owned by the Offeror or its affiliates, representing at least a majority of the total number of then issued and outstanding Company Shares (the “Minimum Condition”); (b) the expiration or termination of any waiting period (and any extensions thereof) applicable to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”); (c) the accuracy of Rosetta Stone’s representations and warranties contained in the Merger (subject to certain qualifications) (the “Specified Representations Condition” and the “Representations Condition”); (d) Rosetta Stone’s performance, in all material respects, with its covenants contained in the Merger Agreement and required to be performed by it at or prior to the Expiration Time (the “Covenants Condition”); (e) since the date of the Merger Agreement, no event, change, effect, development, condition or occurrence having occurred or being continuing that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect (as defined in Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents” below) (the “MAE Condition”); (f) no order preventing, enjoining, restraining, prohibiting or making illegal the consummation of the Merger or the other transactions contemplated in the Merger Agreement shall have been issued, enacted, promulgated, enforced or entered by any governmental entity of competent jurisdiction and remain in effect, and
there shall not be any legal requirement issued, enacted, promulgated, enforced or entered that makes consummation of the Merger or the other transactions contemplated in the Merger Agreement illegal or prevents, enjoins, restrains or prohibits the consummation of the Merger or the other transactions contemplated in the Merger Agreement; (g) the receipt by Parent and the Offeror of a certificate of an executive officer of Rosetta Stone as to the satisfaction of the Specified Representations Condition, the Representations Conditions, the Covenants Condition and the MAE Condition; and (h) the Merger Agreement not having been terminated in accordance with its terms (the “Termination Condition”). See Section 13—“Conditions of the Offer.”

According to the Merger Agreement, as of the close of business on August 21, 2020, the authorized capital stock of Rosetta Stone consisted of (a) 190,000,000 Company Shares, of which 24,120,958 Company Shares were outstanding as of such date, (b) 10,000,000 shares of Rosetta Stone Preferred Stock, of which no shares were outstanding as of such date, (c) 1,553,300 Company Shares subject to issuance pursuant to outstanding Company Options; (d) 299,571 Company Shares subject to issuance pursuant to outstanding Company Non-Performance RSUs; (e) 661,584 Company Shares subject to issuance pursuant to outstanding Company Performance RSUs; and (f) 479,594 Company Shares that were Company Restricted Shares, in each case issued pursuant to Rosetta Stone’s Amended and Restated 2009 Omnibus Incentive Plan and Rosetta Stone’s 2019 Omnibus Incentive Plan (the “Company Equity Plans”).

Assuming no additional Company Shares were issued after September 11, 2020, based on the Company Shares outstanding as of September 11, 2020, the aggregate number of Company Shares the Offeror must acquire in the Offer in order to satisfy the Minimum Condition is 12,304,528 Company Shares, which represents a majority of the total number of then issued and outstanding Company Shares as of September 11, 2020.

We can waive some of the conditions of the Offer without the consent of Rosetta Stone. We cannot, however, waive the Minimum Condition or the Termination Condition.

The Offer and withdrawal rights will expire at one minute after 11:59 p.m., New York City time, on October 13, 2020 (the date that is 20 business days following the commencement (within the meaning of Rule 14d-2 under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”)) of the Offer) or, if the Offer has been extended pursuant to and in accordance with the Merger Agreement, the date and time to which the Offer has been so extended. See Section 1—“Terms of the Offer,” Section 13—“Conditions of the Offer” and Section 15—“Certain Legal Matters; Regulatory Approvals.”

The board of directors of Rosetta Stone (the “Rosetta Stone Board”) has unanimously (with one director having recused herself) (a) determined that the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Rosetta Stone and its stockholders, (b) approved, declared advisable and adopted the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, (c) resolved that the Merger Agreement and the Merger will be governed by and effected under Section 251(h) of the DGCL and (d) recommended that Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror in the Offer (such recommendation, the “Rosetta Stone Board Recommendation”).

For the reasons described in Rosetta Stone’s Solicitation/Recommendation Statement on Schedule 14D-9 (the “Schedule 14D-9”) filed with the U.S. Securities and Exchange Commission (the “SEC”), the Rosetta Stone Board unanimously (with one director recusing herself) recommends that Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror pursuant to the Offer. For factors considered by the Rosetta Stone Board in connection with making its recommendation, see Item 4 of the Schedule 14D-9, a copy of which (without certain exhibits) is being furnished to Rosetta Stone’s stockholders concurrently herewith under the heading “Reasons for the Recommendation of the Board.”

The Offer is being made pursuant to the Merger Agreement, pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Merger will be
consummated by filing with the Secretary of State of the State of Delaware a certificate of merger (the “Certificate of Merger”), in accordance with the relevant provisions of the DGCL. The Merger will become effective when the Certificate of Merger has been duly filed with the Secretary of State of the State of Delaware or at such other subsequent date or time as Parent and Rosetta Stone may agree and specify in the Certificate of Merger in accordance with the DGCL (the “Effective Time”). At the Effective Time, each issued and outstanding Company Share (other than (i) Company Shares owned by Rosetta Stone or any of its subsidiaries (including Company Shares held as treasury stock) or owned by Parent or its subsidiaries, including the Offeror (including any Company Shares acquired by the Offeror in the Offer), in each case, immediately prior to the Effective Time and (ii) Company Shares owned by any stockholders who have properly exercised their appraisal rights under Section 262 of the DGCL) will be converted automatically into and will thereafter represent only the right to receive an amount in cash equal to the Offer Price (as defined below), net of applicable withholding taxes and without interest. The Merger Agreement is more fully described in Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents.”

Section 251(h) of the DGCL provides that, subject to certain statutory requirements, if following consummation of a tender offer for a public Delaware corporation, the stock irrevocably accepted for purchase pursuant to such tender offer and received by the depositary prior to the expiration of such tender offer, plus the stock otherwise owned by the consummating corporation equals at least such percentage of the stock, and of each class or series thereof, of the target corporation that would otherwise be required to adopt a merger agreement under the DGCL or the target corporation’s certificate of incorporation, and each outstanding share of each class or series of stock that is the subject of such tender offer and is not irrevocably accepted for purchase in the offer is to be converted in such merger into the right to receive the same amount and kind of consideration to be paid for shares of such class or series of stock irrevocably accepted for purchase in such tender offer, the consummating corporation may effect a merger without a vote of the stockholders of the target corporation. Accordingly, if the Offer is consummated and the number of Company Shares validly tendered in accordance with the terms of the Offer and not properly withdrawn prior to the Expiration Time (as defined below), together with the Company Shares then owned by the Offeror, is one Company Share more than 50% of the then outstanding Company Shares, the Offeror will not seek the approval of Rosetta Stone’s remaining public stockholders before effecting the Merger. Section 251(h) also requires that the Merger Agreement provide that such merger will be effected as soon as practicable following the consummation of the tender offer. Therefore, Rosetta Stone, Parent and the Offeror have agreed that, subject to the conditions specified in the Merger Agreement, the Merger will become effective as soon as practicable after the consummation of the Offer. See Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents.”

No appraisal rights are available in connection with the Offer. However, if we accept Company Shares in the Offer and the Merger is completed, stockholders may be entitled to appraisal rights in connection with the Merger if they do not tender Company Shares in the Offer and comply with the applicable procedures described under Section 262 of the DGCL. Such stockholders will not be entitled to receive the Offer Price (in each case, net of applicable withholding taxes and without interest), but instead will be entitled to receive only those rights provided under Section 262 of the DGCL. Stockholders must properly perfect their right to seek appraisal under the DGCL in connection with the Merger in order to exercise appraisal rights. See Section 16—“Appraisal Rights.”

Goldman Sachs & Co. LLC, the financial advisor to the Rosetta Stone Board (the “Financial Advisor”), delivered an oral opinion to the Rosetta Stone Board on August 29, 2020, and subsequently confirmed by delivery of a written opinion, that, subject to the assumptions, limitations, qualifications and other matters set forth therein, as of such date, the Per Share Amount (as defined in the Merger Agreement) to be received by the holders of Company Shares in the Merger was fair, from a financial point of view, to such holders. The Financial Advisor’s fairness opinion was delivered in connection with the Merger Agreement and therefore references the Offer Price, which is the same as the Offer Price under the Merger Agreement. The full text of the written opinion of the Financial Advisor, which describes the matters considered, the procedures followed, the assumptions made and the various limitations of and qualifications to the review undertaken by it in preparing its
opinion, is annexed to the Schedule 14D-9. Stockholders are urged to read the full text of that opinion carefully and in its entirety.

The Offeror has engaged Broadridge Corporate Issuer Solutions, Inc. to act as the depositary and paying agent for the Offer (the “Depositary and Paying Agent”). The Offeror has engaged Okapi Partners LLC to act as information agent for the Offer (the “Information Agent”).

Questions and requests for assistance may be directed to the Information Agent at its address and telephone numbers set forth on the back cover of this Offer to Purchase. Requests for copies of this Offer to Purchase and the related Letter of Transmittal and Notice of Guaranteed Delivery may be directed to the Information Agent. Such copies will be furnished promptly at the Offeror’s expense. Stockholders may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The material U.S. federal income tax consequences of the sale of Company Shares pursuant to the Offer and the exchange of Company Shares pursuant to the Merger are summarized below. See Section 5—“Certain U.S. Federal Income Tax Consequences.”

This Offer to Purchase, the related Letter of Transmittal and the other documents referred to in this Offer to Purchase contain important information and such documents should be read carefully and in their entirety before any decision is made with respect to the Offer.
THE TENDER OFFER

1. Terms of the Offer

Upon the terms set forth in the Merger Agreement and subject to the satisfaction or, to the extent permitted, waiver of the Offer Conditions (as defined below), we have agreed in the Merger Agreement to accept for payment and pay for all Company Shares validly tendered and not properly withdrawn by the Expiration Time in accordance with the procedures described in Section 4—“Withdrawal Rights.” The term “Expiration Time” means one minute after 11:59 p.m., New York City time, on October 13, 2020 (the date that is 20 business days following the commencement (within the meaning of Rule 14d-2 under the Exchange Act) of the Offer), unless the Offeror, in accordance with the Merger Agreement, has extended the Offer, in which event the term “Expiration Time” means the latest time and date at which the offering period of the Offer, as so extended by the Offeror, will expire. For purposes of the Offer, as provided under the Exchange Act, a “business day” means any day other than a Saturday, Sunday or a U.S. federal holiday and consists of the time period from 12:01 a.m. through 12:00 midnight, Eastern Time.

The Offer is conditioned upon the satisfaction of the Minimum Condition and the other conditions described in Section 13—“Conditions of the Offer” (the “Offer Conditions”). The Offeror may, subject to the terms and conditions of the Merger Agreement, terminate the Offer without purchasing any Company Shares if the conditions described in Section 13 are not satisfied or waived. See Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents—The Merger Agreement—Conditions to the Consummation of the Merger—Termination.”

Pursuant to the Merger Agreement, Parent and the Offeror have each agreed that it will not, without the prior written consent of Rosetta Stone, (a) change, modify or waive the Minimum Condition or the Termination Condition (provided that Parent and the Offeror expressly reserve the right to (but shall not be obligated to) waive any of the Offer conditions (other than the Minimum Conditions and the Termination Condition) in their discretion), (b) decrease the number of Company Shares sought to be purchased by the Offeror in the Offer so that it is for fewer than all of the outstanding Company Shares, (c) reduce the Per Share Amount to be paid pursuant to the Offer (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) increase the Offer Price to be paid pursuant to the Offer in their discretion), (d) except as otherwise required or expressly permitted by the applicable provisions of the Merger Agreement, extend or otherwise change the Expiration Time, (e) change the form of consideration payable in the Offer, (f) impose any condition to the Offer (other than the Offer Conditions) or amend, modify or supplement any of the Offer Conditions or any of the other terms of the Offer in any manner adversely affecting, or that would reasonably be expected to have an adverse effect on, any of the holders of Company Shares (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) waive any of the Offer Conditions (other than the Minimum Condition and the Termination Condition) in their discretion), (g) provide for any “subsequent offering period” (or any extension thereof) within the meaning of Rule 14d-11 under the Exchange Act or (h) take any action (or fail to take any action) that would result in the Merger not being permitted to be effected pursuant to Section 251(h) of the DGCL. The Offer may not be terminated prior to its then-scheduled Expiration Time, unless the Merger Agreement is terminated in accordance with its terms.

The Merger Agreement provides that, if at any time during the period between the date of the Merger Agreement and the Acceptance Time (as defined in Section 2—“Acceptance for Payment and Payment for Company Shares” below), any change in the outstanding Company Shares occurs by reason of stock split, division or subdivision of shares, stock dividend, reverse stock split, consolidation of shares, reclassification, recapitalization or other similar transaction, the Offer Price will be appropriately adjusted to provide to the holders of the Company Shares the same economic effect as contemplated by the Merger Agreement prior to such event.

Subject to the terms and conditions of the Merger Agreement, unless the Merger Agreement is terminated in accordance with its terms, the Offer may be extended from time to time as follows: (a) if, at the then-scheduled
Expiration Time, any Offer Condition is not satisfied and has not been waived, then (i) the Offeror may extend the Offer and the Expiration Time beyond the initial Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied and (ii) to the extent requested by Rosetta Stone from time to time, the Offeror will extend (and re-extend) the Offer and the Expiration Time beyond the then-scheduled Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied; provided that the Offeror will not be required to extend the Offer beyond the End Date, nor will the Offeror extend the Offer beyond the End Date without Rosetta Stone’s prior written consent; and (b) the Offeror will extend the Offer and the Expiration Time for the minimum period required by any applicable legal requirements. There can be no assurance that the Offeror will, or will be required under the Merger Agreement to, extend the Offer. During any extension of the initial offering period, all Company Shares previously validly tendered and not properly withdrawn will remain subject to the Offer and subject to withdrawal rights. See Section 4—“Withdrawal Rights.”

If, subject to the terms of the Merger Agreement, the Offeror makes a material change in the terms of the Offer or the information concerning the Offer, or if it waives a material condition of the Offer, the Offeror will disseminate additional tender offer materials and extend the Offer if and to the extent required by Rules 14d-4(d), 14d-6(c) and 14e-1 under the Exchange Act, or otherwise. The minimum period during which an Offer must remain open following material changes in the terms of the Offer, other than a change in price, percentage of securities sought, or inclusion of or changes to a dealer’s soliciting fee, will depend upon the facts and circumstances, including the materiality, of the changes. In the SEC’s view, an offer to purchase should remain open for a minimum of five business days from the date a material change is first published, sent or given to stockholders and, if material changes are made with respect to information that approaches the significance of price and share levels, a minimum of 10 business days may be required to allow for adequate dissemination and investor response. Accordingly, if prior to the Expiration Time the Offeror decreases the number of Company Shares being sought or changes the consideration offered pursuant to the Offer, and if the Offer is scheduled to expire at any time earlier than the 10th business day from the date that notice of that increase or change is first published, sent or given to stockholders, the Offer will be extended at least until the expiration of that 10th business day.

The Offeror expressly reserves the right, in its sole discretion, subject to the terms and conditions of the Merger Agreement and the applicable rules and regulations of the SEC, not to accept for payment or pay for any Company Shares if, at the scheduled Expiration Time of the Offer, any of the Offer Conditions have not been satisfied or waived or the Merger Agreement has been terminated in accordance with its terms. Under certain circumstances, Parent and the Offeror may terminate the Merger Agreement and the Offer, but the Offer may not be terminated prior to any then-scheduled Expiration Time, unless the Merger Agreement has been terminated in accordance with its terms.

The reservation by the Offeror of the right to delay the acceptance of or payment for Company Shares is subject to the provisions of Rule 14e-1(c) under the Exchange Act, which requires the Offeror to pay the consideration offered or to return Company Shares deposited by or on behalf of tendering stockholders promptly after the termination or withdrawal of the Offer.

Any extension of the Offer, waiver, amendment of the Offer, delay in acceptance for payment or payment or termination of the Offer will be followed promptly by public announcement thereof, the announcement in the case of an extension to be issued not later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Expiration Time in accordance with the public announcement requirements of Rules 14d-4(d), 14d-6(c) and 14e-1(d) under the Exchange Act. Without limiting the obligations of the Offeror under those rules or the manner in which the Offeror may choose to make any public announcement, the Offeror currently intends to make announcements by issuing a press release to a national news service and making any appropriate filings with the SEC.

The Merger Agreement does not contemplate a subsequent offering period for the Offer.
This Offer to Purchase and the related Letter of Transmittal will be mailed to record holders of Company Shares whose names appear on Rosetta Stone’s stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies or other nominees whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to beneficial owners of Company Shares.

2. Acceptance for Payment and Payment for Company Shares

Upon the terms and subject to the conditions of the Merger Agreement, (i) as soon as practicable after the later of (A) the earliest time as of which the Offeror is permitted under the Exchange Act to accept for purchase Company Shares validly tendered (and not withdrawn) pursuant to the Offer and (B) the earliest time as of which each of the Offer Conditions shall have been satisfied or waived, the Offeror shall (and Parent shall cause the Offeror to) accept for payment all Company Shares tendered pursuant to the Offer (and not validly withdrawn) (the time of such acceptance for payment, the “Acceptance Time”), and (ii) as promptly as practicable following the Acceptance Time, and in any event not later than the second business day (determined under Rule 14d-1(g)(3) under the Exchange Act) after the expiration of the Offer, pay for all Company Shares validly tendered and not properly withdrawn pursuant to the Offer.

In all cases, payment for Company Shares tendered and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary and Paying Agent of (a) certificates representing those Company Shares or confirmation of the book-entry transfer of those Company Shares into the Depositary and Paying Agent’s account at The Depository Trust Company (“DTC”) pursuant to the procedures set forth in Section 3—“Procedures for Tendering Company Shares,” (b) a Letter of Transmittal (or, with respect to a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”), a manually executed facsimile thereof or an Agent’s Message (as defined in Section 3—“Procedures for Tendering Company Shares” below)), properly completed and duly executed, with any required signature guarantees and (c) any other documents required by the Letter of Transmittal. See Section 3—“Procedures for Tendering Company Shares.” Accordingly, tendering stockholders may be paid at different times, depending upon when certificates or book-entry transfer confirmations with respect to their Company Shares are actually received by the Depositary and Paying Agent.

For purposes of the Offer, the Offeror will be deemed to have accepted for payment and thereby purchased Company Shares validly tendered and not properly withdrawn if and when the Offeror gives oral or written notice to the Depositary and Paying Agent of its acceptance for payment of those Company Shares pursuant to the Offer. Payment for Company Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary and Paying Agent, which will act as agent for the tendering stockholders for purposes of receiving payments from the Offeror and transmitting those payments to the tendering stockholders. Under no circumstances will interest be paid on the Offer Price for Company Shares, regardless of any extension of the Offer or any delay in payment for Company Shares.

Company Shares tendered by a Notice of Guaranteed Delivery or other guaranteed delivery procedure will not be deemed validly tendered for any purpose, including for purposes of satisfying the Minimum Condition, and the Offeror will be under no obligation to make any payment for such Company Shares, unless and until Company Shares underlying such Notice of Guaranteed Delivery are “received” (as defined in Section 251(h)(6) of the DGCL) by the Depositary and Paying Agent in settlement or satisfaction of such guarantee.

If any tendered Company Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason, or if certificates are submitted for more Company Shares than are tendered, certificates for those unpurchased Company Shares will be returned (or new certificates for the Company Shares not tendered will be sent), without expense to the tendering stockholder (or, in the case of Company Shares tendered by book-entry
transfer into the Depositary and Paying Agent’s account at DTC pursuant to the procedures set forth in Section 3—“Procedures for Tendering Company Shares,” those Company Shares will be credited to an account maintained with DTC) promptly following expiration or termination of the Offer.

If, prior to the Expiration Time, the Offeror increases the consideration offered to holders of Company Shares pursuant to the Offer, that increased consideration will be paid to holders of all Company Shares that are tendered pursuant to the Offer, whether or not those Company Shares were tendered prior to that increase in consideration.

3. Procedures for Tendering Company Shares

Valid Tender of Company Shares. Except as set forth below, to validly tender Company Shares pursuant to the Offer, (a) a properly completed and duly executed Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof) in accordance with the instructions of the Letter of Transmittal, with any required signature guarantees, or an Agent’s Message (as defined below) in connection with a book-entry delivery of Company Shares, and any other documents required by the Letter of Transmittal, must be received by the Depositary and Paying Agent at its address set forth on the back cover of this Offer to Purchase prior to the Expiration Time and either (1) certificates representing Company Shares tendered must be delivered to the Depositary and Paying Agent or (2) those Company Shares must be properly delivered pursuant to the procedures for book-entry transfer described below and a confirmation of that delivery received by the Depositary and Paying Agent (which confirmation must include an Agent’s Message if the tendering stockholder has not delivered a Letter of Transmittal), in each case, prior to the Expiration Time, or (b) the tendering stockholder must comply with the guaranteed delivery procedures set forth below. The term “Agent’s Message” means a message transmitted by DTC to, and received by, the Depositary and Paying Agent and forming a part of a Book-Entry Confirmation (as defined below), which states that (x) DTC has received an express acknowledgment from the participant in DTC tendering the Company Shares which are the subject of that Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and (y) the Offeror may enforce that agreement against the participant.

Book-Entry Transfer. The Depositary and Paying Agent has agreed to establish an account with respect to the Company Shares at DTC for purposes of the Offer within two business days after the date of this Offer to Purchase. Any financial institution that is a participant in DTC’s systems may make a book-entry transfer of Company Shares by causing DTC to transfer those Company Shares into the Depositary and Paying Agent’s account in accordance with DTC’s procedures for that transfer using DTC’s ATOP system. However, although delivery of Company Shares may be effected through book-entry transfer, either the Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent’s Message in lieu of the Letter of Transmittal, and any other required documents, must, in any case, be transmitted to and received by the Depositary and Paying Agent at its address set forth on the back cover of this Offer to Purchase by the Expiration Time, or the tendering stockholder must comply with the guaranteed delivery procedures described below. The confirmation of a book-entry transfer of Company Shares into the Depositary and Paying Agent’s account at DTC as described above is referred to herein as a “Book-Entry Confirmation.”

Delivery of documents to DTC in accordance with DTC’s procedures does not constitute delivery to the Depositary and Paying Agent.

Signature Guarantees and Stock Powers. Except as otherwise provided below, all signatures on a Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by an Eligible Institution. Signatures on a Letter of Transmittal need not be guaranteed (a) if the Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this section, includes any participant in any of DTC’s systems whose name appears on a security position listing as the owner of the
Company Shares) of Company Shares tendered therewith, the owners' powers are not signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity and such registered owner has not completed the box entitled “Special Payment Instructions” or the box entitled “Special Delivery Instructions” on the Letter of Transmittal or (b) if those Company Shares are tendered for the account of an Eligible Institution. See Instructions 1 and 5 of the Letter of Transmittal. If the certificates for Company Shares are held through a person other than the signer of the Letter of Transmittal, or if payment is to be made or certificates for Company Shares not tendered or not accepted for payment are to be returned to a person other than the registered owner of the certificates surrendered, then the tendered certificates must be endorsed or accompanied by appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear on the certificates, with the signatures on the certificates or stock powers guaranteed as described above. See Instructions 1 and 5 of the Letter of Transmittal.

If certificates representing Company Shares are forwarded separately to the Depositary and Paying Agent, a properly completed and duly executed Letter of Transmittal must accompany each delivery of certificates.

**Guaranteed Delivery.** A stockholder who desires to tender Company Shares pursuant to the Offer and whose certificates for Company Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, or who cannot deliver all required documents to the Depositary and Paying Agent prior to the Expiration Time, may tender those Company Shares by satisfying all of the requirements set forth below:

- the tender is made by or through an Eligible Institution;
- a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by the Offeror, is received by the Depositary and Paying Agent (as provided below) prior to the Expiration Time;
- the certificates for all tendered Company Shares, in proper form for transfer (or a Book-Entry Confirmation with respect to all those Company Shares), together with a properly completed and duly executed Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof), with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal), and any other required documents, are received by the Depositary and Paying Agent within two trading days after the date of execution of the Notice of Guaranteed Delivery. A “trading day” is any day on which the NYSE is open for business.

The Notice of Guaranteed Delivery may be delivered by overnight courier or transmitted via facsimile transmission or mailed to the Depositary and Paying Agent and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery made available by the Offeror. In the case of Company Shares held through DTC, the Notice of Guaranteed Delivery must be delivered to the Depositary and Paying Agent by a participant by means of the confirmation system of DTC.

Company Shares tendered by a Notice of Guaranteed Delivery or other guaranteed delivery procedure will not be deemed validly tendered for any purpose, including for purposes of satisfying the Minimum Condition, and the Offeror will be under no obligation to make any payment for such Company Shares, unless and until Company Shares underlying such Notice of Guaranteed Delivery are “received” (as such term is defined by Section 251(h)(6) of the DGCL) by the Depositary and Paying Agent in settlement or satisfaction of such guarantee.

The method of delivery of Company Shares, the Letter of Transmittal and all other required documents, including delivery through DTC, is at the election and risk of the tendering stockholder. Delivery of all those documents will be deemed made, and risk of loss of the certificate representing Company Shares will pass, only when actually received by the Depositary and Paying Agent (including, in the case of a book-
entry transfer, by Book-Entry Confirmation). If the delivery is by mail, it is recommended that all those documents be sent by properly insured registered mail with return receipt requested. In all cases, sufficient time should be allowed to ensure timely delivery.

The tender of Company Shares (pursuant to any one of the procedures described above) will constitute the tendering stockholder’s acceptance of the Offer, as well as the tendering stockholder’s representation and warranty that such stockholder has the full power and authority to tender, sell, transfer and assign the Company Shares tendered, as specified in the Letter of Transmittal (and any and all other Company Shares or other securities issued or issuable in respect of such Company Shares), and that when the Offeror accepts the Company Shares for payment, it will acquire good and unencumbered title, free and clear of all liens, restrictions, charges and encumbrances and not subject to any adverse claims. The Offeror’s acceptance for payment of Company Shares (tendered pursuant to one of the procedures described above) will constitute a binding agreement between the tendering stockholder and the Offeror upon the terms and subject to the conditions of the Offer.

Other Requirements. Notwithstanding any provision of this Offer to Purchase, the Offeror will pay for Company Shares pursuant to the Offer only after timely receipt by the Depositary and Paying Agent of (a) certificates for (or a timely Book-Entry Confirmation with respect to) those Company Shares, (b) a Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof), properly completed and duly executed, with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message in lieu of the Letter of Transmittal) and (c) any other documents required by the Letter of Transmittal. Accordingly, tendering stockholders may be paid at different times depending upon when certificates or Book-Entry Confirmations with respect to their Company Shares are actually received by the Depositary and Paying Agent. Under no circumstances will interest be paid by the Offeror on the purchase price of Company Shares, regardless of any extension of the Offer or any delay in making that payment.

Binding Agreement. The acceptance for payment by the Offeror of Company Shares (tendered pursuant to one of the procedures described above) will constitute a binding agreement between the tendering stockholder and the Offeror upon the terms and subject to the conditions of the Offer.

Irrevocable Appointment as Proxy. By executing and delivering a Letter of Transmittal as set forth above (or, in the case of a book-entry transfer, by delivery of an Agent’s Message in lieu of a Letter of Transmittal), the tendering stockholder irrevocably appoints designees of the Offeror as that stockholder’s true and lawful agent and attorney-in-fact and proxies, each with full power of substitution and re-substitution, to the full extent of that stockholder’s rights with respect to the Company Shares tendered by that stockholder and accepted for payment by the Offeror and with respect to any and all other Company Shares or other securities issued or issuable in respect of those Company Shares on or after the date of the Merger Agreement. Such proxies and powers of attorney will be irrevocable and deemed to be coupled with an interest in the tendered Company Shares. Such appointment is effective when, and only to the extent that, the Offeror accepts for payment Company Shares tendered by the stockholder as provided herein. Upon the effectiveness of the appointment, all prior powers of attorney, proxies and consents given by that stockholder will be revoked, and no subsequent powers of attorney, proxies and consents may be given (and, if given, will not be deemed effective). Upon the effectiveness of the appointment, the Offeror’s designees will, with respect to the Company Shares or other securities and rights for which the appointment is effective, be empowered to exercise all voting and other rights of that stockholder as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of Rosetta Stone’s stockholders, by written consent in lieu of any such meeting or otherwise. The Offeror reserves the right to require that, in order for Company Shares to be deemed validly tendered, immediately upon the Offeror’s payment for those Company Shares, the Offeror must be able to exercise full voting, consent and other rights to the extent permitted under applicable law with respect to those Company Shares, including voting at any meeting of stockholders or executing a written consent concerning any matter.

Determination of Validity. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Company Shares will be determined by the Offeror (which may delegate such power,
in whole or in part, to the Depositary and Paying Agent) in its sole and absolute discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. The Offeror reserves the absolute right to reject any and all tenders determined by it not to be in proper form. The Offeror also reserves the absolute right to waive any defect or irregularity in the tender of any Company Shares of any particular stockholder whether or not similar defects or irregularities are waived in the case of any other stockholder. No tender of Company Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived. None of Parent, the Offeror or any of their respective affiliates or assigns, the Depositary and Paying Agent, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Offeror’s interpretation of the terms and Conditions of the Offer (including the Letter of Transmittal and the Instructions thereto and any other documents related to the Offer) will be final and binding.

No alternative, conditional or contingent tenders will be accepted.

The purchase of Company Shares is generally subject to information reporting by the Depository (as the payor) to the applicable tax authorities. See Section 5—“Certain U.S. Federal Income Tax Consequences.”

4. Withdrawal Rights

A stockholder may withdraw Company Shares tendered pursuant to the Offer at any time on or prior to the Expiration Time and, if not previously accepted for payment, at any time after November 14, 2020, the date that is 60 days after the date of the commencement of the Offer, pursuant to SEC regulations, but only in accordance with the procedures described in this Section 4; otherwise, the tender of Company Shares pursuant to the Offer is irrevocable.

For a withdrawal of Company Shares to be effective, a written or, with respect to Eligible Institutions, facsimile transmission, notice of withdrawal with respect to the Company Shares must be timely received by the Depositary and Paying Agent at the address set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person having tendered the Company Shares to be withdrawn, the number of Company Shares to be withdrawn and the name of the registered holder of the Company Shares to be withdrawn, if different from that of the person who tendered those Company Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Eligible Institution, unless those Company Shares have been tendered for the account of any Eligible Institution. If Company Shares have been tendered pursuant to the procedures for book-entry transfer as set forth in Section 3—“Procedures for Tendering Company Shares,” any notice of withdrawal must specify the name and number of the account at DTC to be credited with the withdrawn Company Shares. If certificates representing the Company Shares to be withdrawn have been delivered or otherwise identified to the Depositary and Paying Agent, the name of the registered owner and the serial numbers shown on those certificates must also be furnished to the Depositary and Paying Agent prior to the physical release of those certificates. If a stockholder tenders Company Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, the stockholder must instruct the broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of those Company Shares.

If the Offeror extends the Offer, is delayed in its acceptance for payment of Company Shares or is unable to accept for payment Company Shares pursuant to the Offer for any reason, then, without prejudice to the Offeror’s rights under this Offer, the Depositary and Paying Agent may nevertheless, on behalf of the Offeror, retain tendered Company Shares, and those Company Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described herein.

Withdrawals of tenders of Company Shares may not be rescinded, and any Company Shares validly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Company Shares may be retendered by following one of the procedures for tendering shares described in Section 3—“Procedures for Tendering Company Shares” at any time prior to the Expiration Time.
All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Offeror (which may delegate such power in whole or in part to the Depositary and Paying Agent), in its sole and absolute discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. The Offeror also reserves the absolute right to waive any defect or irregularity in the notice of withdrawal of any particular stockholder whether or not similar defects or irregularities are waived in the case of any other stockholder. No withdrawal of Company Shares will be deemed to have been properly made until all defects and irregularities have been cured or waived. None of Parent, the Offeror or any of their respective affiliates or assigns, the Depositary and Paying Agent, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give that notification.


The following summary describes the material U.S. federal income tax consequences to beneficial holders of Company Shares with respect to the disposition of Company Shares pursuant to the Offer or the Merger. It addresses only holders that hold Company Shares as capital assets (generally, property held for investment) within the meaning of Section 1221 of the Code.

The following summary does not purport to be a complete analysis of all of the potential U.S. federal income tax considerations that may be relevant to particular holders in light of their particular circumstances nor does it deal with persons that are subject to special tax rules, such as holders that own or have owned more than 5% of the Company Shares by vote or value (whether those Company Shares are or were actually or constructively owned), brokers, dealers in securities, financial institutions, mutual funds, insurance companies, tax-exempt entities, qualified retirement plans or other tax deferred accounts, real estate mortgage investment conduits, real estate investment trusts, common trust funds, holders subject to the alternative minimum tax, corporations that accumulate earnings to avoid U.S. federal income tax, persons holding Company Shares as part of a straddle, hedge or conversion transaction or as part of a synthetic security or other integrated transaction, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, U.S. Holders (as defined below) that have a “functional currency” other than the U.S. dollar, U.S. expatriates, dissenting stockholders and persons that acquired Company Shares in a compensatory transaction. In addition, this summary does not address persons that hold an interest in a partnership, S corporation or other pass-through entity that holds Company Shares, or tax considerations arising under the laws of any state, local or non-U.S. jurisdiction or U.S. federal non-income tax considerations (e.g., the federal estate or gift tax), or the application of the Medicare tax on net investment income under Section 1411 of the Code.

The following is based on the provisions of the Code, final, proposed and temporary Treasury regulations promulgated under the Code (“Treasury Regulations”), administrative rulings and other guidance, and court decisions, in each case as in effect on the date of this Offer to Purchase, all of which are subject to change, possibly with retroactive effect.

As used herein, the term “U.S. Holder” means a beneficial owner of Company Shares that is, for U.S. federal income tax purposes, (a) a citizen or individual resident of the United States, (b) a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if (1) a U.S. court is able to exercise primary supervision over its administration and one or more U.S. persons, within the meaning of Section 7701(a)(30) of the Code, have the authority to control all of the trust’s substantial decisions or (2) the trust has properly elected under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal income tax purposes.

A “Non-U.S. Holder” is a beneficial owner of Company Shares, other than a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes), that is not a U.S. Holder.
The tax treatment of a partner in a partnership (or other entity or arrangement classified as a partnership for U.S. federal income tax purposes) generally will depend on the status or activities of the partner or the partnership. Partnerships that are beneficial owners of Company Shares, and partners in such partnerships, are urged to consult their own tax advisors regarding the U.S. federal, state, local and non-U.S. tax considerations applicable to them with respect to the disposition of Company Shares pursuant to the Offer or the Merger.

This summary is of a general nature only. It is not intended to constitute, and should not be construed to constitute, legal or tax advice to any particular holder. Because individual circumstances may vary, holders of Company Shares should consult their own tax advisors as to the tax consequences of the Offer and the Merger to a beneficial holder of Company Shares in their particular circumstances, including the application of any state, local or non-U.S. tax laws and any changes in such laws.

Receipt of Cash Pursuant to the Offer or the Merger

U.S. Holders

A U.S. Holder that disposes of Company Shares pursuant to the Offer or the Merger generally will recognize gain or loss equal to the difference between the cash that the U.S. Holder receives pursuant to the Offer or the Merger (plus any applicable withholding) and the U.S. Holder’s adjusted tax basis in the Company Shares disposed of pursuant to the Offer or the Merger, respectively. Gain or loss must be determined separately for each block of Company Shares disposed of pursuant to the Offer or the Merger. Certain non-corporate U.S. Holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations. U.S. Holders are urged to consult their tax advisors regarding those limitations.

Non-U.S. Holders

In general, and subject to the discussion below in “—Information Reporting and Backup Withholding Tax”, a Non-U.S. Holder will not be subject to U.S. federal income tax on any gain realized upon the receipt of cash in exchange for the disposition of Company Shares pursuant to the Offer or the Merger unless:

• the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder within the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of such Non-U.S. Holder);
• the Non-U.S. Holder is an individual and is present in the United States for 183 days or more in the taxable year of disposition and certain other conditions are met; or
• Rosetta Stone is or has been a “United States real property holding corporation” within the meaning of Section 897 of the Code for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder’s holding period for its Company Shares and, if the Company Shares are “regularly traded on an established securities market” for U.S. federal income tax purposes, such Non-U.S. Holder beneficially owned more than 5% of the Company Shares at any time during such period.

Gain that is described in the first bullet point immediately above generally will be subject to U.S. federal net income taxation at regular graduated U.S. federal income tax rates. If the Non-U.S. Holder is a foreign corporation, a branch profits tax at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty) also may apply to its effectively connected earnings and profits. An individual Non-U.S. Holder described in the second bullet point immediately above generally will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty) on the gain derived from the disposition of Company Shares pursuant to the Offer or the Merger, which may be offset by certain U.S. source
capital losses (even though the individual is not considered a resident of the United States), provided that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses. Any gain that is described in the third bullet point immediately above if Rosetta Stone is or was a "United States real property holding corporation" generally would be subject to U.S. federal income tax in the same manner as described above with respect to gain described in the first bullet point (other than with respect to branch profits tax). Each Non-U.S. Holder is urged to consult its tax advisor regarding the manner in which gain or loss should be calculated as a result of the Offer or the Merger.

**Information Reporting and Backup Withholding Tax**

Payments made to holders of Company Shares in the Offer or the Merger generally will be subject to information reporting and may be subject to backup withholding (currently at a rate of 24%). To avoid backup withholding, U.S. Holders that do not otherwise establish an exemption in a manner satisfactory to the Depository and Paying Agent should properly complete and return IRS Form W-9 included in the Letter of Transmittal, certifying that such holder is a U.S. person within the meaning of Section 7701(a)(30) of the Code, the taxpayer identification number provided is correct, and that such holder is not subject to backup withholding. Non-U.S. Holders that do not otherwise establish an exemption in a manner satisfactory to the Depository and Paying Agent should submit an appropriate and properly completed IRS Form W-8, a copy of which may be obtained from the Depository and Paying Agent, in order to avoid backup withholding. Non-U.S. Holders should consult their own tax advisors to determine which IRS Form W-8 is appropriate.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a credit against a holder’s U.S. federal income tax liability, provided that the required information is timely furnished in the appropriate manner to the Internal Revenue Service.

**THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES TO HOLDERS OF COMPANY SHARES WITH RESPECT TO THE DISPOSITION OF COMPANY SHARES PURSUANT TO THE OFFER OR THE MERGER. HOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSEQUENCES APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.**

**6. Price Range of Company Shares; Dividends**

The Company Shares are listed on the NYSE under the symbol “RST”. The following table sets forth, for the fiscal quarters indicated, the high and low sales prices per Company Share on the NYSE as reported by published financial sources with respect to periods occurring in fiscal years ended December 31, 2018 and 2019 and the current fiscal year:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>High</th>
<th>Low</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2018:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Quarter</td>
<td>$14.81</td>
<td>$11.91</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$16.85</td>
<td>$12.74</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$20.26</td>
<td>$14.14</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$21.54</td>
<td>$15.16</td>
</tr>
<tr>
<td><strong>2019:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Quarter</td>
<td>$24.01</td>
<td>$14.43</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$26.88</td>
<td>$20.51</td>
</tr>
<tr>
<td>Third Quarter</td>
<td>$24.41</td>
<td>$16.66</td>
</tr>
<tr>
<td>Fourth Quarter</td>
<td>$21.02</td>
<td>$13.76</td>
</tr>
<tr>
<td><strong>2020:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Quarter</td>
<td>$20.70</td>
<td>$ 8.85</td>
</tr>
<tr>
<td>Second Quarter</td>
<td>$19.57</td>
<td>$12.55</td>
</tr>
<tr>
<td>Third Quarter (through August 28, 2020)</td>
<td>$31.24</td>
<td>$25.36</td>
</tr>
</tbody>
</table>
The Offer Price of $30.00 per Company Share represents a premium of approximately 87.5% to Rosetta Stone’s unaffected closing price on July 16, 2020, the last trading day before a media report was published speculating about a potential sale process, as further described in Section 10—“Background of the Offer; Contacts with Rosetta Stone”. On September 14, 2020, the last full trading day before the Offeror commenced the Offer, the closing price of the Company Shares reported on the NYSE was $29.90 per Company Share. **Stockholders are urged to obtain a current market quotation for the Company Shares.**

According to Rosetta Stone’s publicly available documents, Rosetta Stone has never paid a dividend since becoming a public company. Under the terms of the Merger Agreement, from the date of the Merger Agreement until the earlier of (i) the Effective Time or (ii) the termination of the Merger Agreement in accordance with its terms, Rosetta Stone is not permitted, without the prior written consent of Parent, to declare or pay any dividend (whether payable in cash, stock or property) with respect to any shares of its capital stock or other equity interest, other than dividends and distributions by a wholly-owned subsidiary of Rosetta Stone to Rosetta Stone or another wholly-owned subsidiary of Rosetta Stone. See Section 11—“Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents—The Merger Agreement—Covenants” and Section 14—“Dividends and Distributions.”

7. **Certain Effects of the Offer**

If, as a result of the Offer, the Offeror owns Company Shares representing at least one Company Share more than 50% of the then outstanding Company Shares, Parent, the Offeror and Rosetta Stone will, subject to the satisfaction or waiver of the remaining conditions set forth in the Merger Agreement, consummate the Merger under the provisions of Section 251(h) of the DGCL without prior notice to, or any action by, any other stockholder of Rosetta Stone as soon as practicable following the consummation of the Offer. Pursuant to the Merger Agreement, the consummation of the Merger will occur as soon as practicable following the consummation of the Offer.

**Market for the Company Shares.** If the Offer is consummated, there will be no market for the Company Shares because Parent and the Offeror intend to consummate the Merger (the “Closing”) as soon as practicable following consummation of the Offer (the “Offer Closing”).

**NYSE Listing.** The Company Shares are currently listed on the NYSE and trade under the symbol “RST”. Immediately following the consummation of the Merger (which is expected to occur as soon as practicable following the Offer Closing), the Company Shares will no longer meet the requirements for continued listing on the NYSE because the only stockholder will be Parent. Immediately following the consummation of the Merger, we intend to cause Rosetta Stone to delist the Company Shares from the NYSE.

**Exchange Act Registration.** The Company Shares are currently registered under the Exchange Act. We intend to seek to cause Rosetta Stone to apply for termination of registration of the Company Shares as soon as possible after consummation of the Offer if the requirements for termination of registration are met. Termination of registration of the Company Shares under the Exchange Act would reduce the information required to be furnished by Rosetta Stone to its stockholders and to the SEC and would make certain provisions of the Exchange Act no longer applicable to Rosetta Stone, such as the short-swing profit recovery provisions of Section 16(b), the requirement to furnish a proxy statement or information statement in connection with stockholders’ meetings or actions in lieu of a stockholders’ meeting pursuant to Section 14(a) and 14(c) of the Exchange Act and the related requirement to furnish an annual report to stockholders, the requirement to furnish annual, quarterly and current reports to stockholders pursuant to Section 13 of the Exchange Act and the requirements of Rule 13e-3 under the Exchange Act with respect to “going private” transactions. Furthermore, the ability of “affiliates” of Rosetta Stone and persons holding “restricted securities” of Rosetta Stone to dispose of such securities pursuant to Rule 144 under the U.S. Securities Act of 1933, as amended, may be impaired or eliminated. If registration of the Company Shares under the Exchange Act was terminated, the Company Shares would no longer be eligible for continued inclusion on the Federal Reserve Board’s list of “margin securities” or eligible for stock exchange listing.
8. Certain Information Concerning Rosetta Stone

General. Rosetta Stone is a Delaware corporation and a leading literacy and language-learning software company in the United States of America. The address of Rosetta Stone’s principal executive offices and Rosetta Stone’s phone number at its principal executive offices are as set forth below:

Rosetta Stone Inc.
1621 North Kent Street, Suite 1200
Arlington, Virginia 22209
(703) 387-5800

In connection with our due diligence review of Rosetta Stone, Rosetta Stone made available to us certain financial information described under the heading “—Certain Company Forecasts” in Item 4. “The Solicitation or Recommendation” of the Schedule 14D-9.

Additional Information. The Company Shares are registered under the Exchange Act. Accordingly, Rosetta Stone is subject to the information reporting requirements of the Exchange Act and, in accordance therewith, is required to file periodic reports, proxy statements and other information with the SEC relating to its business, financial condition and other matters. Certain information, as of particular dates, concerning Rosetta Stone’s business, principal physical properties, capital structure, material pending litigation, operating results, financial condition, directors and officers (and their compensation, including stock options, restricted stock awards, performance-based restricted stock units and non-performance based restricted stock units granted to them), the principal holders of Rosetta Stone’s securities, any material interests of such persons in transactions with Rosetta Stone and other matters is required to be disclosed in proxy statements and periodic reports distributed to Rosetta Stone’s stockholders and filed with the SEC. Such reports, proxy statements and other information are available on the SEC’s website at www.sec.gov and on Rosetta Stone’s corporate website at [https://investors.rosettastone.com](https://investors.rosettastone.com) under “Investor Relations”—“SEC Filings.” Information on, or accessible through, Rosetta Stone’s website is not part of this Offer to Purchase and is not incorporated by reference herein. The website addresses referred to in this paragraph are inactive text references and are not intended to be actual links to the websites.

Sources of Information. Except as otherwise set forth herein, the information concerning Rosetta Stone and its business has been taken from Rosetta Stone’s Annual Report on Form 10-K for its fiscal year ended December 31, 2019, publicly available documents and records on file with the SEC and other public sources and is qualified in its entirety by such records. Although we have no knowledge that any such information contains any misstatements or omissions, none of Parent, the Offeror, the Information Agent or the Depositary and Paying Agent, or any of their respective affiliates or assigns assumes responsibility for the accuracy or completeness of the information concerning Rosetta Stone contained in those documents and records or for any failure by Rosetta Stone to disclose events which may have occurred or may affect the significance or accuracy of any such information.

9. Certain Information Concerning the Offeror, Parent and the Sponsor

Parent is a Delaware corporation and was formed on October 5, 2018 in connection with the acquisition of Cambium Learning Group, Inc. Parent is portfolio company of the Sponsor. Parent believes every student has
great potential, teachers are mission-critical, and data, instruction and practice work together to drive performance. With a portfolio of award-winning
brands, Cambium Learning Group’s digital and blended curriculum, professional learning, and assessment solutions drive proficiency, equity, and other
learning outcomes in classrooms everywhere. Parent’s brands include Learning A-Z® (online differentiated instruction for elementary school reading,
writing and science), ExploreLearning® (online interactive math and science simulations, a math fact fluency solution, and a K-2 science solution),
Voyager Sopris Learning® (blended solutions that accelerate struggling learners to achieve in literacy and math and professional learning for teachers),
Cambium Assessment (innovative state- and district-level assessment solutions), and VKidz® Learning (online PreK-12 homeschool curriculum and
programs for literacy and math). The principal office address of Parent is 17855 Dallas Parkway, Suite 400, Dallas, Texas 75287. The telephone number
at the principal office is (214) 932-9326.

The Offeror was formed on August 28, 2020 solely for the purpose of completing the Offer and the Merger and has conducted no business activities
other than those related to the structuring and negotiation of the Offer and the Merger. The Offeror is a direct wholly-owned subsidiary of Parent. Until
immediately prior to the time the Offeror purchases Company Shares pursuant to the Offer, it is not anticipated that the Offeror will have any significant
assets or liabilities or engage in activities other than those incidental to its formation, capitalization and the transactions contemplated by the Offer
and/or the Merger. The principal office address of the Offeror is 17855 Dallas Parkway, Suite 400, Dallas, Texas 75287. The telephone number at the
principal office is (214) 932-9326.

The Sponsor is a private investment fund that purchases, sells, trades and invests in equity and debt securities and other business opportunities. The
principal office of the Sponsor is c/o Veritas Capital Fund Management L.L.C., 9 West 57th Street, 32nd Floor, New York, New York 10019. The
telephone number at the principal office is (212) 415-6700.

Pursuant to an equity commitment letter, dated as of August 29, 2020, received by Parent (the “Equity Commitment Letter”), the Sponsor has
committed, subject to the terms and conditions thereof, to provide Parent with equity financing in an amount up to its pro rata share of $221 million in
the aggregate solely for the purpose of providing a portion of the financing for the transactions contemplated by the Merger Agreement.

The name, business address, citizenship, present principal occupation and employment history of each of the directors, executive officers and control
persons of each of Parent, the Offeror and the Sponsor are set forth in Schedule A to this Offer to Purchase ("Schedule A"). Except as set forth
elsewhere in this Offer to Purchase, (i) none of Parent, the Offeror, the Sponsor or, to the knowledge of each of Parent, the Offeror and the Sponsor, any
of the entities or persons listed in Schedule A has, during the past five years, been convicted in a criminal proceeding (excluding traffic violations or
similar misdemeanors), and (ii) none of Parent, the Offeror, the Sponsor or, to the best of their knowledge, any of the entities or persons listed in
Schedule A has, during the past five years, been a party to any judicial or administrative proceeding (except for matters that were dismissed without
sanction or settlement) that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject
to, federal or state securities laws, or a finding of any violation of federal or state securities laws.

None of Parent, the Offeror, the Sponsor or, to the knowledge of each of Parent, the Offeror and the Sponsor, any of the entities or persons listed in
Schedule A, (i) beneficially owns or has a right to acquire any Company Shares or any other equity securities of Rosetta Stone, or (ii) has effected any
transaction in Company Shares or any other equity securities of Rosetta Stone during the past 60 days.

Except as set forth elsewhere in this Offer to Purchase, there have been no contracts, negotiations or transactions between Parent, the Offeror, the
Sponsor or, to the knowledge of each of Parent, the Offeror and the Sponsor, any of the entities or persons listed in Schedule A, on the one hand, and
Rosetta Stone or any of its executive officers, directors and/or affiliates, on the other hand, concerning a merger, consolidation, acquisition or acquisition, tender
offer or other acquisition of securities, an election of directors or a sale or other transfer of a material amount of assets.
None of Parent, the Offeror, or the Sponsor has made arrangements in connection with the Offer to provide holders of Company Shares access to their corporate files or to obtain counsel or appraisal services at their expense.

Pursuant to Rule 14d-3 under the Exchange Act, the Offeror, Parent and the Sponsor have filed with the SEC a Tender Offer Statement on Schedule TO (as amended, the “Schedule TO”), of which this Offer to Purchase forms a part, and exhibits to the Schedule TO. The Schedule TO and its exhibits are available on the SEC’s website at www.sec.gov.

10. Background of the Offer; Contacts with Rosetta Stone

Background of the Offer

The following chronology summarizes the key meetings and other events between representatives of Veritas Capital Fund Management, L.L.C. (“Veritas”), representatives of Parent and representatives of Rosetta Stone that led to the signing of the Merger Agreement. The following chronology does not purport to catalogue every conversation between Veritas, Parent and Rosetta Stone and their respective representatives. For a summary of additional activities of Rosetta Stone relating to the signing of the Merger Agreement, please refer to the Schedule 14D-9 being mailed to stockholders with this Offer to Purchase.

On January 31, 2020, representatives of the Financial Advisor contacted Veritas about the opportunity to purchase Rosetta Stone. Interested in the opportunity, on February 5, 2020, Veritas executed a confidentiality agreement with Rosetta Stone. Following execution of the confidentiality agreement, on February 10, 2020 representatives of Veritas received the management presentation and were invited into a virtual data room opened by Rosetta Stone containing certain financial and business due diligence information to begin assessing the opportunity at hand. After reviewing the materials, representatives of Veritas met with the Rosetta Stone management team on February 21, 2020 at the Financial Advisor’s office to discuss further details.

Following these meetings, Veritas submitted its non-binding intention of interest (“IOI”) to purchase Rosetta Stone on March 5, 2020 pursuant to which Veritas made a proposal regarding a potential add-on acquisition of Rosetta Stone to Cambium Learning Group, Inc., one of Veritas’s portfolio companies. Veritas’s initial non-binding proposal was subject to customary conditions, including the completion of due diligence and the parties’ negotiation of mutually acceptable definitive documentation.

Following submission of its IOI, on March 5, 2020 the Financial Advisor provided feedback notifying Veritas that it qualified to enter the next round of discussions. However, due to the Covid-19 pandemic, the Rosetta Stone Board decided to put the auction process on hold beginning on March 23, 2020.

The Financial Advisor reinitiated the auction process, and on June 30, 2020, contacted Veritas about the opportunity. Interested in continuing discussions, on July 1, 2020 representatives of Veritas held a business update call with Rosetta Stone management in which management discussed Rosetta Stone’s business, operations, strategy and financial performance. That same day, Veritas and its advisors engaged in an extensive business due diligence investigation of Rosetta Stone. The due diligence process lasted until July 30, 2020, at which time, Veritas submitted a check-in bid to acquire 100% of Rosetta Stone’s literacy and K-12 language business for $400,000,000.

Veritas received feedback with respect to its check-in bid from the Financial Advisor on August 3, 2020 and was notified that it qualified for the final round of negotiations.

Between August 4, 2020 and August 27, 2020, Veritas and its advisors continued its extensive business due diligence to assess potential risks with respect to purchasing the Rosetta Stone business. Following the due diligence period, on August 27, 2020, Veritas submitted its final bid on August 27, 2020, which included a
written, all-cash proposal to acquire Rosetta Stone for $26.50 per share. Veritas’s proposal included fully-committed debt and equity financing and noted that it had completed its due diligence and that Schulte Roth and Zabel LLP, legal counsel to Veritas (“SRZ”), would be prepared to immediately engage with Hogan Lovells LLP, legal counsel to Rosetta Stone (“Hogan”), to finalize all documentation relating to the transaction.

On August 28, 2020, the Financial Advisor notified Veritas that the bid process was narrowed down to two remaining entities, Veritas and one other party. In an effort to win the bid, on August 29, 2020 Veritas submitted an update to its final bid to purchase the Rosetta Stone shares at $30.00 per share. Hours after submitting the updated final bid, the Financial Advisor notified Veritas that Veritas proposed the superior bid and the Financial Advisor would be moving forward with negotiations. Subsequently, Veritas and Rosetta Stone entered into an exclusivity agreement for a period of 24 hours to consummate the transaction.

During the evening hours of August 29, 2020, SRZ and Hogan worked to finalize the merger agreement and related documentation. Ultimately, on August 29, 2020, Rosetta Stone, Veritas and their respective advisors finalized and executed the Merger Agreement and the related transaction documents.

On the morning of August 31, 2020, before market open on the New York Stock Exchange, Rosetta Stone and Veritas issued a press release announcing the execution of the Merger Agreement.

On September 15, 2020, the Offeror commenced the Offer.

11. Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents

Purpose of the Offer. The Offer is being made pursuant to the Merger Agreement. The purpose of the Offer is for Parent to acquire control of, and all of the outstanding equity interests in, Rosetta Stone. The Offer, as the first step in the acquisition of Rosetta Stone, is intended to facilitate the acquisition of all outstanding Company Shares. The Merger Agreement provides, among other things, that the Offeror will be merged with and into Rosetta Stone and that, upon consummation of the Merger, Rosetta Stone, as the Surviving Corporation, will become a wholly-owned subsidiary of Parent.

If you tender your Company Shares in the Offer, you will cease to have any equity interest in Rosetta Stone or any right to participate in its earnings and future growth. If you do not tender your Company Shares, but the Merger is consummated, you also will no longer have an equity interest in the Surviving Corporation and will not have any right to participate in its earnings and future growth and instead will only have the right to receive an amount in cash equal to the Offer Price, net of applicable withholding and without interest. Similarly, after tendering your Company Shares in the Offer or the conversion of your Company Shares in the subsequent Merger, you will not bear the risk of any decrease in the value of Rosetta Stone or the Surviving Corporation, as applicable.

Under the DGCL, holders of Company Shares do not have appraisal rights in connection with the Offer. In connection with the Merger, however, stockholders of Rosetta Stone who comply with the applicable statutory procedures under the DGCL will be entitled to receive a judicial determination of the fair value of their shares pursuant to Section 262 of the DGCL (exclusive of any element of value arising from accomplishment or expectation of the Merger) and to receive payment of such fair value in cash. Any such judicial determination of the fair value of the Company Shares could be based upon consideration other than or in addition to the Offer Price and the market value of the Company Shares. The value so determined could be higher or lower than, or the same as, the Offer Price. Moreover, the Offeror could argue in an appraisal proceeding that the fair value of such Company Shares is less than the Offer Price. See Section 16—“Appraisal Rights.”

Plans for Rosetta Stone. If we accept Company Shares for payment pursuant to the Offer, we will obtain control over the management of Rosetta Stone and the Rosetta Stone Board shortly thereafter. As soon as practicable after the consummation of the Merger, the Surviving Corporation will integrate its business, operations and assets with Parent’s existing business.
Other than the transactions contemplated by the Merger Agreement, including the Offer and the Merger, or in connection therewith, neither the Offeror nor Parent has any present plans or proposals or is engaged in negotiations that would, in a manner material to the holders of Company Shares, relate to or result in (a) any extraordinary transaction involving Rosetta Stone or any of its subsidiaries (such as a merger, reorganization or liquidation), (b) any purchase, sale or transfer of a material amount of assets of Rosetta Stone or any of its subsidiaries, (c) any material change in Rosetta Stone’s capitalization or present dividend rate or policy or indebtedness, (d) any change in the Rosetta Stone Board or management of Rosetta Stone, (e) any other material change in Rosetta Stone’s corporate structure or business, (f) any class of equity securities of Rosetta Stone being delisted from a national securities exchange or ceasing to be authorized to be quoted in an automated quotation system operated by a national securities association, (g) any class of equity securities of Rosetta Stone becoming eligible for termination of registration pursuant to Section 12(g) of the Exchange Act, (h) the suspension of Rosetta Stone’s obligation to file reports under Section 15(d) of the Exchange Act, (i) the acquisition by any person of additional securities of Rosetta Stone, or the disposition of securities of Rosetta Stone, or (j) any changes in Rosetta Stone’s charter, bylaws or other governing instruments or other actions that could impede the acquisition of control of Rosetta Stone.

At the Effective Time, (a) the certificate of incorporation of Rosetta Stone as in effect immediately prior to the Effective Time will be amended and restated in its entirety to read as set forth on Exhibit B to the Merger Agreement, and such amended and restated certificate of incorporation will become the certificate of incorporation of the Surviving Corporation until thereafter amended in accordance with its terms and the DGCL and (b) the bylaws of Rosetta Stone as in effect immediately prior to the Effective Time will be amended and restated in their entirety to conform to the bylaws of the Offeror as of immediately prior to the Effective Time, and such amended and restated bylaws will become the bylaws of the Surviving Corporation until thereafter amended in accordance with their terms, the terms of the certificate of incorporation of the Surviving Corporation. At the Effective Time, (i) the members of the board of directors of the Offeror as of immediately prior to the Effective Time will be the directors of the Surviving Corporation, and such directors will hold office until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal and (ii) the officers of Rosetta Stone as of immediately prior to the Effective Time will be the officers of the Surviving Corporation, in each case until their respective successors are duly elected or appointed and qualified or their earlier death, resignation or removal.

Except as otherwise provided herein, it is currently expected that, initially following the Merger, the business and operations of Rosetta Stone will, except as set forth in this Offer to Purchase, be integrated into Parent’s existing business and operations. Based on available information, we are conducting a detailed review of Rosetta Stone and its assets, corporate structure, dividend policy, capitalization, indebtedness, operations, properties, policies, management and personnel, and will consider what, if any, changes would be desirable in light of the circumstances which exist upon completion of the Offer. We will continue to evaluate the business and operations of Rosetta Stone during the pendency of the Offer and after the consummation of the Offer and will take such actions as we deem appropriate under the circumstances then existing. Thereafter, we intend to review such information as part of a comprehensive review of Rosetta Stone’s business, operations, capitalization and management with a view to optimizing development of Rosetta Stone’s potential. Possible changes could include changes in Rosetta Stone’s business, acquisitions or dispositions, and although, except as disclosed in this Offer to Purchase, we have no current plans with respect to any of such matters, Parent, the Offeror and the Surviving Corporation in the Merger expressly reserve the right to make any changes they deem appropriate in light of such evaluation and review or in light of future developments.

The Merger Agreement. The following is a summary of certain provisions of the Merger Agreement. This summary is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which has been filed as Exhibit (d)(1) to the Schedule TO and which is incorporated herein by reference. The Merger Agreement may be examined and copies may be obtained in the manner set forth in Section 8—“Certain Information Concerning Rosetta Stone.”
The Offer

The Merger Agreement provides that the Offeror will commence the Offer within ten business days of the execution of the Merger Agreement and, upon the terms and subject to the conditions of the Merger Agreement, including the satisfaction or waiver of all of the Offer Conditions, accept for payment and pay for all Company Shares validly tendered and not properly withdrawn pursuant to the Offer, as further described below. Pursuant to the terms of the Merger Agreement, unless extended or amended in accordance with the Merger Agreement, the Offer will expire at one minute after 11:59 p.m., New York City time, on October 13, 2020, which is the date that is 20 business days following the commencement (within the meaning of Rule 14d-1(g)(3) and Rule 14e-1(a) under the Exchange Act) of the Offer.

Pursuant to the Merger Agreement, Parent and the Offeror have each agreed that it will not, without the prior written consent of Rosetta Stone, (a) change, modify or waive the Minimum Condition or the Termination Condition (provided that Parent and the Offeror expressly reserve the right to (but shall not be obligated to) waive any of the Offer conditions (other than the Minimum Conditions and the Termination Condition) in their discretion), (b) decrease the number of Company Shares sought to be purchased by the Offeror in the Offer so that it is for fewer than all of the outstanding Company Shares, (c) reduce the Offer Price to be paid pursuant to the Offer (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) increase the Offer Price to be paid pursuant to the Offer in their discretion), (d) except as otherwise required or expressly permitted by the applicable provisions of the Merger Agreement, extend or otherwise change the Expiration Time, (e) change the form of consideration payable in the Offer, (f) impose any condition to the Offer (other than the Offer Conditions) or amend, modify or supplement any of the Offer Conditions or any of the other terms of the Offer in any manner adversely affecting, or that would reasonably be expected to have an adverse effect on, any of the holders of Company Shares (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) waive any of the Offer Conditions (other than the Minimum Condition and the Termination Condition) in their discretion), (g) provide for any “subsequent offering period” (or any extension thereof) within the meaning of Rule 14d-11 under the Exchange Act or (h) take any action (or fail to take any action) that would result in the Merger not being permitted to be effected pursuant to Section 251(h) of the DGCL. The Offer may not be terminated prior to its then-scheduled Expiration Time unless the Merger Agreement is terminated in accordance with its terms.

The Merger Agreement provides that, if at any time during the period between the date of the Merger Agreement and the Acceptance Time, subject to certain interim operating covenants set forth in the Merger Agreement, the outstanding Company Shares are changed into a different number or class of shares by reason of any stock split, division or subdivision of shares, stock dividend, reverse stock split, consolidation of shares, reclassification, recapitalization or other similar transaction, then the Offer Price shall be adjusted to the extent appropriate.

On the terms and subject to the conditions of the Merger Agreement, unless the Merger Agreement is terminated in accordance with its terms, the Offer may be extended from time to time as follows:

• if, at the then-scheduled Expiration Time, any Offer Condition (as defined under Section 1—“Terms of the Offer” above) has not been satisfied or waived, (a) the Offeror may extend the Offer and the Expiration Time beyond the initial Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied and (b) to the extent requested by Rosetta Stone from time to time, the Offeror will extend (and re-extend) the Offer and the Expiration Time beyond the then-scheduled Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied; provided that the Offeror will not be required to extend the Offer beyond the End Date, nor will the Offeror extend the Offer beyond the End Date without Rosetta Stone’s prior written consent; and

• the Offeror will extend the Offer and the Expiration Time for the minimum period required by any applicable legal requirements.

Upon the terms and subject to the conditions of the Merger Agreement, (i) as soon as practicable after the later of (A) the earliest time as of which the Offeror is permitted under the Exchange Act to accept for purchase Company Shares validly tendered (and not withdrawn) pursuant to the Offer and (B) the earliest time as of which
each of the Offer Conditions shall have been satisfied or waived, the Offeror shall (and Parent shall cause the Offeror to) accept for payment all
Company Shares tendered pursuant to the Offer (and not validly withdrawn), and (ii) as soon as practicable following the Acceptance Time, and in any
event not later than the second business day (determined under Rule 14d-1(g)(3) under the Exchange Act) thereafter, pay for all Company Shares validly
tendered and not properly withdrawn pursuant to the Offer.

Recommendation. The Rosetta Stone Board has unanimously (with one director having recused herself) (a) determined that the Merger Agreement and
the transactions contemplated thereby, including the Offer and the Merger, are fair to, and in the best interests of, Rosetta Stone and its stockholders,
(b) approved, declared advisable and adopted the Merger Agreement and the transactions contemplated thereby, including the Offer and the Merger, (c)
resolved that the Merger Agreement and the Merger will be governed by and effected under Section 251(h) of the DGCL and (d) recommended that
Rosetta Stone’s stockholders (other than Parent and its subsidiaries) accept the Offer and tender their Company Shares to the Offeror in the Offer.

The Merger. The Merger Agreement provides that, upon the terms and subject to the conditions set forth therein, and in accordance with the provisions
of the DGCL (including Section 251(h) of the DGCL), at the Effective Time, the Offeror will be merged with and into Rosetta Stone, and the separate
corporate existence of the Offeror will cease and Rosetta Stone will be the Surviving Corporation and will become a wholly-owned subsidiary of Parent.
Subject to the satisfaction or waiver of the conditions to the Merger (other than those conditions that by their terms are to be satisfied at the Merger
Closing (as defined below), but subject to such conditions being capable of being satisfied), the Closing will take place as soon as practicable following
the consummation (as defined in Section 251(h) of the DGCL) of the Offer, or at such other time as agreed by Parent, the Offeror and Rosetta Stone.
Subject to the provisions of the Merger Agreement, at the Closing, the Offeror, Parent and Rosetta Stone will cause the Merger to be consummated by
filing with the Secretary of State of the State of Delaware the Certificate of Merger executed, signed and acknowledged in accordance with, and in such
form as is required by, the relevant provisions of the DGCL, and will make all other deliveries, filings or recordings required under the relevant
provisions of the DGCL in connection with the Merger. The Merger will become effective at the Effective Time. The Merger will be governed by and
effectuated under Section 251(h) of the DGCL, without a vote of the stockholders of Rosetta Stone. Parent, the Offeror and Rosetta Stone have agreed to
take all necessary and appropriate action to cause the Merger to become effective as soon as practicable following the Acceptance Time, without a vote
of the stockholders of Rosetta Stone, in accordance with Section 251(h) of the DGCL.

Charter, Bylaws, Directors, and Officers. The Merger Agreement provides that at the Effective Time, (a) the certificate of incorporation of Rosetta Stone
as in effect immediately prior to the Effective Time will be amended and restated in its entirety to read as set forth on Exhibit B to the Merger
Agreement, and as so amended and restated will be the certificate of incorporation of the Surviving Corporation until thereafter further amended in
accordance with its terms and the DGCL, and (b) the bylaws of Rosetta Stone as in effect immediately prior to the Effective Time will be amended and
restated in their entirety, and as so amended and restated will be the bylaws of the Surviving Corporation until thereafter amended in accordance with
their terms, the terms of the certificate of incorporation of the Surviving Corporation and the DGCL (collectively, the “Organizational Documents of
the Surviving Corporation”).

Rosetta Stone has agreed to use its reasonable best efforts to deliver to Parent at the Closing the resignation of each member of the Rosetta Stone Board
with respect to whom Parent has delivered written notice to Rosetta Stone at least five business days prior to the Closing, which resignations will be
effective as of, and contingent upon the occurrence of, the Closing. The Merger Agreement further provides that, at the Effective Time, (a) the members
of the board of directors of the Offeror immediately before the Effective Time will be the directors of the Surviving Corporation and (b) the officers of
Rosetta Stone as of immediately prior to the Effective Time will be the officers of the Surviving Corporation, in each case until their respective
successors are duly elected or appointed and qualified or their earlier death, resignation or removal.
Effect of the Merger on Capital Stock. At the Effective Time:

- any Company Shares that are owned by Rosetta Stone (or held in Rosetta Stone’s treasury), owned by any subsidiary of Rosetta Stone, or owned by Parent, the Offeror or any other wholly-owned subsidiary of Parent immediately prior to the Effective Time shall be cancelled, shall cease to exist, shall no longer be outstanding, and no consideration shall be paid in exchange therefor;
- except as provided above, each Company Share (excluding (i) any Appraisal Shares and (ii) Company Restricted Shares (as defined below)) that is outstanding immediately prior to the Effective Time, shall be cancelled, shall cease to exist, shall no longer be outstanding, and shall be converted into the right to receive, in cash, without interest, the Offer Amount; and
- each share of common stock, par value $0.01 per share, of the Offeror that is outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of the common stock of the Surviving Corporation.

The Merger Agreement provides that, if, subject to certain interim operating covenants set forth in the Merger Agreement, between the date of the Merger Agreement and the Effective Time, the outstanding Company Shares are changed into a different number or class of shares by reason of any stock split, division or subdivision of shares, stock dividend, reverse stock split, consolidation of shares, reclassification, recapitalization or other similar transaction, then the amount of cash into which each Company Share is converted in the Merger shall be adjusted to the extent appropriate.

Treatment of Equity Awards. The Merger Agreement provides that each Company Equity Award (as defined below) will be treated in the following manner in connection with the Merger:

**Company Options.** Immediately prior to the Effective Time, each then-outstanding option to purchase Company Shares (each, a “Company Option”), whether vested or unvested, will be cancelled, and upon its cancellation, the holder of the Company Option will be entitled to receive, in respect of each Company Share subject to such Company Option immediately prior to such cancellation, an amount (subject to any applicable withholding tax) in cash equal to the Offer Price minus the exercise price per Company Share subject to such Company Option. However, if the Offer Price is less than the exercise price of a Company Option, then such Company Option will be cancelled without any cash or other consideration being paid or provided in respect of the Company Option to its holder. The cash payments will be paid by Rosetta Stone through the Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time). However, if the holder of the Company Option is not and was not at any time during the applicable vesting period an employee of Rosetta Stone, such amounts instead will be paid to such holder by Parent or the Depositary and Paying Agent. Each holder of a Company Option cancelled as provided in the Merger Agreement will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest;

**Company Restricted Shares.** Immediately prior to the Effective Time, each then-outstanding Company Share issued pursuant to the Company Equity Plans that is subject to forfeiture (each a “Company Restricted Share”), will be cancelled, and upon its cancellation, the holder of the Company Restricted Share will be entitled to receive a cash payment (subject to any applicable withholding tax) equal to the Offer Price payable by Rosetta Stone through Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time). Each holder of a Company Restricted Share cancelled as provided in the Merger Agreement will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest;

**Company Non-Performance RSUs.** Immediately prior to the Effective Time, each then-outstanding restricted stock unit of the Company issued pursuant to the Company Equity Plans that vests solely based on continued service to an Acquired Company (each a “Company Non-Performance RSU”), whether vested or unvested, will be cancelled and, upon its cancellation, the holder of the Company Non-Performance RSU will be entitled to receive a cash payment (subject to any applicable withholding tax) determined by multiplying the number of
Company Shares subject to such Company Non-Performance RSU immediately prior to the Effective Time by the Offer Price. Each holder of a Company Non-Performance RSU cancelled as provided in the Merger Agreement will cease to have any rights with respect thereto, except the right to receive the cash consideration, without interest. Parent will cause the cash payments to be paid by Rosetta Stone through Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time); provided, however, that to the extent any Company Non-Performance RSU constitutes nonqualified deferred compensation subject to Section 409A of the Code, such cash payment will be made at the earliest time permitted under the Company Equity Plans; and

Company Performance RSUs. Immediately prior to the Effective Time, each then-outstanding restricted stock unit of the Company issued pursuant to the Company Equity Plans that may be earned on the basis of the achievement of one or more performance goals (each, a “Company Performance RSU” and together with the Company Options, the Company Restricted Shares and the Company Non-Performance RSUs, the “Company Equity Awards”), that has not been settled as of such time will be cancelled and, upon its cancellation, the holder of the Company Performance RSU will be entitled to receive a cash payment (subject to any applicable tax withholding) equal to the Offer Price times the number of Company Shares underlying such Company Performance RSU deemed earned based on projected performance against relevant performance goals based on July 2020 forecasts. Each holder of a Company Performance RSU cancelled as provided in the Merger Agreement will cease to have any rights with respect thereto, except the right to receive the cash consideration, if any, without interest. Parent will cause the cash payments to be paid by Rosetta Stone through Rosetta Stone’s payroll system promptly following the Effective Time (but no later than the second payroll period following the Effective Time); provided, however, that to the extent any Company Performance RSU constitutes nonqualified deferred compensation subject to Section 409A of the Code, such cash payment will be made (without interest) at the earliest time permitted under the Company Equity Plans.

Representations and Warranties. In the Merger Agreement, Rosetta Stone has made customary representations and warranties to Parent and the Offeror with respect to, among other matters:

- due organization and good standing of Rosetta Stone and its subsidiaries, and power to operate their respective businesses;
- organizational documents of Rosetta Stone;
- capitalization of Rosetta Stone;
- SEC filings, financial statements and internal controls of Rosetta Stone;
- absence of certain changes (including the absence of a Material Adverse Effect (as defined below)) since June 30, 2020;
- intellectual property rights, cybersecurity and data privacy;
- title to assets and real property owned and leased by Rosetta Stone or its subsidiaries;
- Rosetta Stone’s and its subsidiaries’ material contracts;
- compliance with legal requirements;
- legal proceedings, orders and investigations involving Rosetta Stone and its subsidiaries;
- governmental authorizations required to conduct the business of Rosetta Stone and its subsidiaries;
- compliance with anti-bribery and similar legal requirements;
- tax matters;
- Rosetta Stone’s employee benefit plans;
- labor matters;
- environmental matters;
- insurance;
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- corporate authority to enter into the Merger Agreement and binding nature of the Merger Agreement;
- no stockholder vote or consent is required to consummate the Merger Agreement or authorize the transactions thereunder;
- non-contravention of organizational documents, legal requirements or contracts, and certain third party consents;
- no Takeover Statute (as defined below) applies to Rosetta Stone in connection with the transactions contemplated by the Merger Agreement;
- the fairness opinion of the financial advisor to the Rosetta Stone Board in connection with the transactions contemplated by the Merger Agreement;
- brokers’ fees;
- accuracy of information supplied by Rosetta Stone for inclusion in the Schedule 14D-9 (and the documents included or incorporated by reference to the Schedule 14D-9);
- accuracy of information supplied by or on behalf of Rosetta Stone for inclusion in the Offer documents;
- affiliate arrangements;
- Rosetta Stone’s and its subsidiaries’ material customers and material vendors;
- accounts payable and accounts receivable; and
- there are no other representations or warranties made by Parent or the Offeror except as set forth in the Merger Agreement.

Some of the representations and warranties in the Merger Agreement made by Rosetta Stone are qualified, among other things, as to “materiality” or a “Material Adverse Effect” standard. For purposes of the Merger Agreement, “Material Adverse Effect,” as it relates to Rosetta Stone and its subsidiaries (a “Material Adverse Effect”), means any event, change, effect, circumstance, development, condition or occurrence (each, an “Effect”) that (a) has prevented or materially delayed or impaired, or would reasonably be expected to prevent or materially delay or impair, the ability of Rosetta Stone to consummate the transactions contemplated by the Merger Agreement, or (b) has had, or would reasonably be expected to have, a material adverse effect on the business, operations or financial condition of Rosetta Stone and its subsidiaries, taken as a whole; provided, however, that, for purposes of this clause (b), none of the following will be deemed either alone or in combination to constitute, and none of the following will be taken into account in determining whether there has been or would be, a Material Adverse Effect: (i) any adverse effect arising or resulting from general economic, business, regulatory, legislative, political, financial or market conditions; (ii) any adverse Effect arising or resulting from any facts, circumstances or conditions generally affecting education and learning-related industries; (iii) any adverse Effect arising or resulting from any geopolitical conditions, the outbreak or escalation of hostilities, any acts of war, sabotage, terrorism or military actions, or any escalation or worsening of any such hostilities, acts of war, sabotage, terrorism or military actions threatened or underway as of the date of the Merger Agreement, any act of God or other similar event, occurrence or circumstance; (iv) any adverse Effect arising or resulting from any epidemic, pandemic, disease outbreak (including COVID-19) or other health crisis or public health event, or the material worsening of any of the foregoing; (v) any adverse Effect arising or resulting from the announcement or pendency of the Merger Agreement, the offer, the Merger or any of the other transactions contemplated by the Merger Agreement (including the loss of any officer or employee, the loss of, or a change in any relationship with, any customer, governmental entity, supplier, vendor, investor, licensor, licensee or partner and any litigation arising or resulting from the announcement or pendency of the Merger Agreement, the offer, the Merger or any of the other transactions contemplated by the Merger Agreement); (vi) any failure of Rosetta Stone to meet internal or analysts’ expectations or projections, in and of itself (it being understood that the exception in this clause (vi) will not prevent or otherwise affect the underlying cause of any such failure referred to herein); (vii) any adverse Effect arising or resulting from any action or inaction by Rosetta Stone taken or omitted to be taken pursuant to the express provisions of the Merger Agreement; (viii) any

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adverse effect arising or resulting from any change in any legal requirement; (ix) any decline in Rosetta Stone’s stock price or any decline in the market price or trading volume of Rosetta Stone Company Shares on the NYSE, in and of itself; and (x) any adverse Effect arising or resulting from any change in GAAP or the interpretation or application thereof; provided, that, in the case of each of clauses (i), (ii), (iii), (iv), (viii) or (x) of this proviso, such Effects may be taken into account to the extent that such Effects have a disproportionately adverse effect on Rosetta Stone and its subsidiaries relative to the adverse effect on other companies in the education and learning-related industries.

Each of Parent and the Offeror has made customary representations and warranties to Rosetta Stone with respect to, among other matters:

- due organization and good standing of Parent and the Offeror;
- legal proceedings and orders involving Parent or the Offeror;
- corporate authority to consummate the transactions contemplated by the Merger Agreement;
- binding nature of the Merger Agreement;
- non-contravention of organizational documents or applicable laws and consents;
- neither Parent nor the Offeror is an interested stockholder;
- financing of the transactions contemplated by the Merger Agreement;
- solvency of the Surviving Corporation after giving effect to the transactions contemplated by the Merger Agreement;
- operations of the Offeror;
- accuracy of information included in the Offer documents;
- accuracy of information supplied by Parent and the Offeror for inclusion in the Schedule 14D-9 to be filed by Rosetta Stone in connection with the transactions contemplated by the Merger Agreement;
- there are no other representations or warranties made by Rosetta Stone except as set forth in the Merger Agreement; and
- non-reliance on company forecasts, projections, estimates and forward-looking statements.

Some of the representations and warranties in the Merger Agreement made by Parent and the Offeror are qualified, among other things, as to “materiality” or a “material adverse effect” standard.

The representations, warranties and covenants contained in the Merger Agreement have been made by each party to the Merger Agreement solely for the benefit of the other parties thereto, and those representations, warranties and covenants should not be relied on by any other person. In addition, those representations, warranties and covenants:

- have been made only for purposes of the Merger Agreement;
- with respect to Rosetta Stone, have been qualified by (i) matters specifically disclosed in any documents filed with or furnished to the SEC by Rosetta Stone since January 1, 2018 and at least two business days prior to the date of the Merger Agreement (subject to certain exceptions) and (ii) confidential disclosures set forth in the confidential disclosure schedule (the “Disclosure Schedule”) delivered by Rosetta Stone to Parent and the Offeror concurrently with the execution of the Merger Agreement—such information modifies, qualifies and creates exceptions to the representations and warranties made by Rosetta Stone in the Merger Agreement;
- will not survive consummation of the Merger;
- have been included in the Merger Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters of fact;
- were, in certain instances, made only as of the date they were made in the Merger Agreement or the Merger Agreement or such other date as is specified in the Merger Agreement; and

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are subject to materiality qualifications contained in the Merger Agreement which may differ from what may be viewed as material by investors, including qualifications as to “materiality” or a “Material Adverse Effect,” as described above.

Covenants

Interim Operations of Rosetta Stone. The Merger Agreement provides that, during the period from the date of the Merger Agreement through the earlier of the Acceptance Time or the termination of the Merger Agreement, except (i) to the extent Parent has consented in writing (which consent shall not be unreasonably withheld, conditioned or delayed), (ii) as set forth in the Disclosure Schedule, (iii) as contemplated by the express terms of the Merger Agreement or (iv) as may be required to comply with any legal requirement, Rosetta Stone is required to, and is required to cause its subsidiaries to, conduct their respective businesses in the ordinary course of business and in a manner that does not depart materially from the manner in which such business was being conducted prior to the date of this Agreement.

The Merger Agreement also contains specific restrictive covenants as to certain actions taken by Rosetta Stone and its subsidiaries from the date of the Merger Agreement until the Effective Time or the earlier termination of the Merger Agreement pursuant to its terms, which provide that, except as expressly contemplated or required by the Merger Agreement, set forth in the Disclosure Schedule, as required by applicable legal requirement, or as consented to in writing by Parent (such consent not to be unreasonably withheld, delayed or conditioned), Rosetta Stone and its subsidiaries will not take certain actions, including, among other things and subject to certain exceptions:

- amend their respective organizational documents;
- split, combine, reclassify, adjust, recapitalize, subdivide amend the terms of, redeem, purchase or otherwise acquire any shares of its capital stock or other equity interests or any options, warrants, securities or other rights exercisable for or convertible into any such capital stock or equity securities (except as permitted by, and subject to the terms of the Company Equity Plans);
- declare or pay any dividend (whether payable in cash, stock or property) with respect to any shares of its capital stock or other equity interest (other than dividends by a wholly-owned subsidiary of the Rosetta Stone to Rosetta Stone or another wholly-owned subsidiary of Rosetta Stone);
- form any subsidiary or acquire any equity interest in any other Entity, other than short-term investments;
- issue any additional shares of, or securities convertible or exchangeable for, or options, warrants or rights to acquire, any shares of its capital stock, other than Company Shares issuable upon exercise of Company Options or upon the vesting of Company Non-Performance RSUs or Company Performance RSUs;
- sell, pledge, dispose of, transfer, lease, license or encumber any material assets of Rosetta Stone (other than owned Company IP), other than (i) sales of inventory in the ordinary course of business, (ii) pursuant to written Contracts or commitments existing as of the date of the Merger Agreement or (iii) as security for any borrowings permitted;
- sell, license (other than in the ordinary course of business) or transfer, or, other than in the ordinary course of business, encumber, impair, abandon, permit to lapse or otherwise dispose of any right, title or interest in or to any owned Company IP;
- repurchase, redeem or otherwise acquire any Company Shares, except Company Shares repurchased from employees or consultants or former employees or consultants of Rosetta Stone pursuant to the exercise of repurchase rights or in connection with the withholding of Company Shares to satisfy tax obligations or to pay the exercise price with respect to Company Options, Company Non-Performance RSUs, Company Performance RSUs or Company Restricted Shares;
• incur any indebtedness for borrowed money or guarantee any such indebtedness, except for (i) short-term borrowings incurred in the ordinary course of business, (ii) borrowings pursuant to existing credit facilities, or pursuant to any modifications, renewals or replacements of any such credit facilities and (iii) purchase-money financings and capital leases entered into in the ordinary course of business;

• except as required pursuant to the terms of any Company Plan in effect as of the date of the Merger Agreement, (i) adopt, amend, or terminate any Company Plan or any arrangement that would have been a Company Plan had it been entered into prior to the Merger Agreement or take any action to accelerate the vesting or lapsing of restrictions or payment under any Company Plan; (ii) increase the base wage or salary payable to, or any other components of compensation and benefits of, any current or former employee, officer, director or individual independent contractor of Rosetta Stone and its subsidiaries, other than annual increases in base salary in the ordinary course of business consistent with past practice to employees below the level of Vice President that do not exceed 5% in the aggregate; (iii) grant any retention, severance or termination payments to any current or former employee, officer, director or individual independent contractor of Rosetta Stone and its subsidiaries; or (iv) hire any person to be an employee of Rosetta Stone and its subsidiaries, other than the hiring of employees below the level of Vice President in the ordinary course of business consistent with past practice whose employment may be terminated without the obligation to pay severance (other than any obligation to pay severance under any Company Plan in effect prior to the Merger Agreement) or other liability;

• other than in the ordinary course of business: (i) amend, modify or terminate (other than termination upon the expiration of the term thereof in accordance with the terms thereof) any Material Contracts or waive, release or assign any material rights, claims or benefits under any Material Contracts, or (ii) enter into any Contract that would have been a Material Contract had it been entered into prior to the date of the Merger Agreement;

• change any of its methods of accounting or accounting practices in any material respect other than as required or permitted by GAAP;

• (i) make, change or revoke any tax election, (ii) change any material method of accounting for tax purposes, (iii) enter into any closing agreement, settle any action in respect of material taxes or enter into any contractual obligation in respect of material taxes with any governmental entity, (iv) extend or waive the application of any statute of limitations regarding the assessment or collection of any tax (except with respect to routine extensions in the ordinary course of business) or (v) apply for or pursue any tax ruling;

• make any capital expenditure that is not contemplated by the capital expenditure budget set forth in Part 5.1(n) of the Disclosure Schedule (a “Non-Budgeted Capital Expenditure”), except that Rosetta Stone (i) may make any Non-Budgeted Capital Expenditure that does not individually exceed $1,000,000 in amount, and (ii) may make Non-Budgeted Capital Expenditures that, when added to all other Non-Budgeted Capital Expenditures made by Rosetta Stone since the date of the Merger Agreement, would not exceed $3,400,000 in the aggregate;

• make or offer to make any acquisition of any person or a business or division of any person;

• make any loans to, advances or capital contributions to any other person other than (i) loans, advances or capital contributions solely involving one or more of Rosetta Stone and the wholly-owned subsidiaries of Rosetta Stone, or (ii) advances for travel and other out-of-pocket expenses to officers, directors or employees of Rosetta Stone and its subsidiaries in the ordinary course of business, consistent with past practice;

• engage in any transaction with, or enter into any agreement, arrangement or understanding with any affiliate of Rosetta Stone or other person covered by Item 404 of Regulation S-K promulgated under the Exchange Act;
• (i) enter into any new material line of business, or (ii) open a new office of either Rosetta Stone or its subsidiaries in any country where neither Rosetta Stone nor its subsidiaries has an office as of the date of the Merger Agreement;

• (i) settle any legal proceeding before or threatened to be brought before a governmental entity, other than monetary settlements not in excess of $250,000 individually, or $1,000,000 in the aggregate (provided that such settlements do not involve any non-de minimis injunctive or equitable relief or impose non-de minimis restrictions on the business activities of Rosetta Stone and its subsidiaries, Parent or any of its subsidiaries) or (ii) waive any material right with respect to any material claim held by Rosetta Stone and its subsidiaries in respect of any legal proceeding brought or threatened in writing to be brought before a governmental entity, in each case, other than legal proceedings related to the transactions contemplated by the Merger Agreement, which will instead be governed by the “Stockholder Litigation” provision below;

• terminate, cancel or make any material changes to the structure, limits or terms and conditions of any insurance policies, including allowing the insurance policies to expire without renewing such insurance policies or obtaining comparable replacement coverage; or

• authorize, agree to take or enter into a binding agreement to take any of the actions described in above.

**No Solicitation.** Except as permitted in connection with a Change in Recommendation (as defined below) and the below provisions, Rosetta Stone is required not to, and is required to cause the Financial Advisor, each of its subsidiaries and its and their respective officers, directors and employees not to, and must use its reasonable best efforts to cause its other representatives not to, (i) solicit, initiate, or knowingly encourage or knowingly facilitate any inquiry, submission or announcement of, any Acquisition Proposal (as defined below) or any proposal that would reasonably be expected to lead to any Acquisition Proposal (including by approving any transaction, or approving any person becoming an “interested stockholder,” for purposes of Section 203 of the DGCL); (ii) furnish any information regarding Rosetta Stone and its subsidiaries to any person in response to or in a manner that would reasonably be expected to lead to, or knowingly in connection with, an Acquisition Proposal; (iii) other than informing persons of the existence of the provisions of the Merger Agreement, enter into, participate or engage in or continue to participate or engage in any discussions or negotiations with any person regarding, with respect to, or that would reasonably be expected to lead to, any Acquisition Proposal; or (iv) agree, propose or resolve to take, or take, any of the actions prohibited by clauses (i) through (iii) above, provided, however, that, notwithstanding anything to the contrary contained in the Merger Agreement, Rosetta Stone and its representatives may engage in any such discussions or negotiations and provide any such information in response to a bona fide written Acquisition Proposal if (A) such bona fide written Acquisition Proposal did not result from a breach of the (in each case, other than any breach that is immaterial), (B) prior to providing any material non-public information regarding Rosetta Stone to any third party in response to an Acquisition Proposal, Rosetta Stone receives from such third party (or there is then in effect with such party) an executed confidentiality agreement that contains nondisclosure provisions that are no less favorable to Rosetta Stone, in the aggregate, than those contained in the Confidentiality Agreement (it being understood, however, that such confidentiality agreement need not contain any standstill provision), (C) the Rosetta Stone Board determines in good faith, after consultation with Rosetta Stone’s outside legal counsel and its financial advisor, that such Acquisition Proposal either constitutes a Superior Proposal or could reasonably be expected to lead to a Superior Proposal (as defined below) and (D) the Rosetta Stone Board determines in good faith, after consultation with Rosetta Stone’s outside legal counsel, that the failure to take such action would be inconsistent with the Rosetta Stone Board’s fiduciary obligations to Rosetta Stone’s stockholders under applicable legal requirements. Prior to or within 48 hours after providing any material non-public information to such third party, Rosetta Stone will make such material non-public information available to Parent (to the extent such material non-public information has not been previously made available to Parent or any of Parent’s representatives).

If Rosetta Stone receives an Acquisition Proposal, then Rosetta Stone will promptly (and in no event later than 48 hours after receipt of such Acquisition Proposal) notify Parent in writing of such Acquisition Proposal (which notification will include the identity of the person making or submitting such Acquisition Proposal and the
material terms and conditions thereof), and will thereafter keep Parent reasonably informed, on a reasonably current basis, as to the status of such Acquisition Proposal.

Rosetta Stone will, and will cause the other subsidiaries, the officers and directors of the subsidiaries and Rosetta Stone’s financial advisor to, and will use its reasonable best efforts to cause its other representatives to: (i) immediately cease and cause to be terminated any existing solicitation of, or negotiations or discussions with, any person relating to any Acquisition Proposal; (ii) terminate all access granted to any such person and its representatives to any physical or electronic dataroom; and (iii) within five business days following the date of the Merger Agreement, request that any such person and its representatives contemplated in clause (ii) above promptly return to Rosetta Stone or destroy (subject to any exceptions in any applicable confidentiality agreement) any non-public information concerning Rosetta Stone and its subsidiaries that was previously furnished or made available to such person or any of its representatives by or on behalf of Rosetta Stone.

Nothing contained in the Merger Agreement will prohibit Rosetta Stone, the Rosetta Stone Board or their representatives from (i) taking and disclosing to the stockholders of Rosetta Stone a position contemplated by Rule 14e-2(a) promulgated under the Exchange Act or making a statement contemplated by Item 1012(a) of Regulation M-A or Rule 14d-9(f) promulgated under the Exchange Act, or from issuing a “stop, look and listen” statement pending disclosure of its position thereunder; provided that any such disclosure does not contain an express Change in Recommendation; or (ii) making any other disclosures that the Rosetta Stone Board determines in good faith the failure to make would reasonably likely be inconsistent with its fiduciary duties to Rosetta Stone’s stockholders under applicable legal requirements; provided, however, that the Rosetta Stone Board will not effect any express Change in Recommendation except as permitted by the Merger Agreement, it being acknowledged and agreed that the foregoing actions, other than as described in the Merger Agreement (which will not, in and of itself, constitute a Change in Recommendation), may constitute a Change in Recommendation if it otherwise satisfies the definition thereof.

An “Acquisition Proposal” means any offer, proposal or indication of interest (other than an offer, proposal or indication of interest made or submitted by or on behalf of Parent or any of its subsidiaries) contemplating or otherwise relating to any Acquisition Transaction.

A “Superior Proposal” means any Acquisition Proposal (replacing the reference to “Acquisition Transaction” in the definition of “Acquisition Proposal” with a reference to “Specified Acquisition Transaction”) on terms that the Rosetta Stone Board determines in good faith, after consultation with Rosetta Stone’s outside financial advisor and outside legal counsel, (a) to be reasonably likely to be consummated if accepted on the terms thereof, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal, and (b) considering such factors as the Rosetta Stone Board (or any committee thereof) considers to be appropriate, that, if consummated, would be more favorable to the holders of Company Shares from a financial point of view than the transactions contemplated by the Merger Agreement (taking into account the Company Termination Fee (as defined below in the “Fees and Expenses Following Termination” section) (if payable)).

A “Specified Acquisition Transaction” means any Acquisition Transaction, replacing all references to “15%” and “85%” in the definition of “Acquisition Transaction” with references to “50%.”

An “Acquisition Transaction” means any transaction or series of related transactions (other than the Offer or the Merger) involving (a) any merger, consolidation, amalgamation, share exchange, business combination, joint venture, issuance of securities, acquisition of securities, reorganization, recapitalization, tender offer, exchange offer or other similar transaction (i) in which a person or “group” (as defined in the Exchange Act and the rules thereunder) of persons acquires beneficial or record ownership of securities (or instruments convertible into or exercisable or exchangeable for, such securities) representing 15% or more of the outstanding voting power of Rosetta Stone or, if Rosetta Stone is not a surviving entity in such transaction, of the surviving entity in such transaction involving Rosetta Stone or (ii) in which Rosetta Stone issues securities (or instruments convertible into or exercisable or exchangeable for, such securities) representing 15% or more of the outstanding voting power of Rosetta Stone or, if Rosetta Stone is not a surviving entity in such transaction, the surviving entity in
such transaction involving Rosetta Stone; (b) any sale, lease, exchange, transfer, exclusive license, exclusive sublicense, acquisition or disposition of the assets of any business or businesses that constitute or account for 15% or more of the consolidated net revenues or consolidated net income (measured based on the 12 full calendar months prior to the date of determination) or consolidated assets (measured based on fair market value as of the last day of the most recently completed calendar month) of Rosetta Stone; or (c) any combination of the foregoing.

A “Change in Recommendation” means the Rosetta Stone Board’s decision to (i) withdraw, withhold, modify, amend or qualify, or publicly propose or announce its intention to withdraw, withhold, modify, amend or qualify, in a manner adverse to Parent or the Offeror, the Rosetta Stone Board Recommendation or fail to include the Rosetta Stone Board Recommendation in the Schedule 14D 9; (ii) adopt, authorize, approve or recommend, or resolve to or publicly propose or announce its intention to approve or recommend to the stockholders of Rosetta Stone, any Acquisition Proposal; (iii) if (A) Rosetta Stone has received an Acquisition Proposal that remains outstanding (and is not a tender offer or exchange offer addressed by clause (iv) of this sentence), and (B) such Acquisition Proposal has not been rejected by Rosetta Stone, fail to reaffirm the Rosetta Stone Board Recommendation within five business days after receipt of a written request from Parent to do so (which request may only be made once with respect to such Acquisition Proposal or any material modification to such Acquisition Proposal), (iv) fail to recommend against any Acquisition Proposal that is a tender or exchange offer by a third party pursuant to Rule 14d 9 or Rule 14e 2 promulgated under the Exchange Act within 10 business days after the commencement of such tender offer or exchange offer.

Filings; Other Actions. Each of Rosetta Stone, on the one hand, Parent and the Offeror, on the other hand, shall (i) promptly (and in no event later than the date that is 10 business days after the date of the Merger Agreement) make and effect all registrations, filings and submissions required to be made or effected by it pursuant to the HSR Act, the Exchange Act and other applicable legal requirements with respect to the Offer and the Merger; (ii) use reasonable best efforts to obtain all consents and approvals required from third parties in connection with the transactions contemplated by the Merger Agreement; and (iii) use reasonable best efforts to cause to be taken, on a timely basis, all other actions necessary or appropriate for the purpose of consummating and effectuating the transactions contemplated by the Merger Agreement. Without limiting the generality of the foregoing, each of Parent and the Offeror (A) shall promptly provide all information requested by any governmental entity in connection with the Offer, the Merger or any of the other transactions contemplated by the Merger Agreement and (B) shall use its best efforts to promptly take, and cause its affiliates to take, all actions and steps necessary to obtain any clearance or approval required to be obtained from the U.S. Federal Trade Commission, the U.S. Department of Justice, any state attorney general, any foreign competition authority or any other governmental entity in connection with the transactions contemplated by this Agreement. If any legal proceeding is instituted (or threatened to be instituted) challenging any of the transactions contemplated by the Merger Agreement as violative of any applicable antitrust law, Parent and the Offeror shall (1) vigorously contest, resist and defend against any such legal proceeding; and (2) use its reasonable best efforts to have vacated, lifted, reversed or overturned any injunction, order, decree, judgment or determination resulting from any such legal proceeding. See Section 15—“Certain Legal Matters; Regulatory Approvals” under subsection “Antitrust Compliance.” The ultimate parent entities of Parent submitted such filings pursuant to the HSR Act on September 11, 2020 and Rosetta Stone submitted such filings pursuant to the HSR Act on September 11, 2020.

The Merger Agreement further provides that, without limiting the generality of anything contained in the above, subject to applicable legal requirements, each party hereto will (to the extent not prohibited by applicable legal requirements or any governmental entity) (i) give the other parties prompt notice of the making or commencement of any request, inquiry, investigation, action or legal proceeding by or before any governmental entity with respect to the Offer or the Merger or any of the other transactions contemplated by this Agreement; (ii) keep the other parties informed as to the status of any such request, inquiry, investigation, action or legal proceeding; and (iii) promptly inform the other parties of any communication to or from the U.S. Federal Trade Commission, the U.S. Department of Justice or any other governmental entity regarding the Offer or the Merger. To the extent not prohibited by applicable legal requirements or any governmental entity, each party will consult and cooperate with the other parties and will consider in good faith the views of the other parties in connection

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with any analysis, appearance, presentation, memorandum, brief, argument, opinion or proposal made or submitted in connection with any such request, inquiry, investigation, action or legal proceeding. In addition, except as may be prohibited by any governmental entity or by any legal requirement, in connection with any such request, inquiry, investigation, action or legal proceeding, each party will permit authorized representatives of the other parties to be present at each meeting or conference relating to such request, inquiry, investigation, action or legal proceeding and to have access to and be consulted in connection with any document, opinion or proposal made or submitted to any governmental entity in connection with such request, inquiry, investigation, action or legal proceeding.

Access. From the date of the Merger Agreement until the earlier of the Effective Time and the valid termination of the Merger Agreement, Rosetta Stone will, and will cause each subsidiary to, (a) provide to Parent, the Offeror and their respective representatives reasonable access during normal business hours in such a manner as not to unreasonably interfere with the operation of any business conducted by Rosetta Stone or any other subsidiary, upon prior written notice to Rosetta Stone, to the officers, employees, properties, offices and other facilities of Rosetta Stone and the other subsidiaries and to the books and records of Rosetta Stone and its subsidiaries; and (b) furnish promptly such information concerning Rosetta Stone’s and its subsidiaries’ businesses, properties and Contracts as Parent or its representatives may reasonably request; provided, however, that Rosetta Stone will not be required to permit any inspection or other access, or to disclose any information, that in the reasonable judgment of Rosetta Stone would (i) result in the disclosure of any trade secrets of third parties; (ii) violate any obligation of Rosetta Stone and its subsidiaries with respect to confidentiality or privacy; (iii) jeopardize protections afforded Rosetta Stone and its subsidiaries under the attorney-client privilege, the attorney work product doctrine or any other legal privilege held by Rosetta Stone and its subsidiaries; or (iv) violate any legal requirement; provided, further, that Rosetta Stone will use reasonable efforts to allow for such inspection, access or disclosure in a manner that does not result in the disclosure of trade secrets, violate any such obligation with respect to confidentiality or privacy, jeopardize such protections or violate any legal requirement. All information obtained by Parent and its representatives will be treated as “Evaluation Material” of the Company for purposes of the Confidentiality Agreement.

Financing. The Financing (as defined below), or any alternative financing, is not a condition to the Offer or the Merger. The Merger Agreement provides that Parent shall, and Parent shall cause the Offeror to, use its reasonable best efforts to arrange and obtain the financing contemplated by the Debt Commitment Letter (the “Debt Financing”) and by the Equity Commitment Letter (the “Equity Financing” and, together with the Debt Financing, the “Financing”), including using reasonable best efforts to (i) use its reasonable best efforts to maintain in full force and effect the Commitment Letters and the Existing Credit Agreements, (ii) negotiate, execute and deliver definitive agreements (the ‘Definitive Financing Agreements’) on terms and conditions no less favorable to Parent than the terms and conditions (including “market flex” terms and conditions) contained in the Commitment Letters, (iii) comply on a timely basis with all covenants and other obligations and use its reasonable best efforts to satisfy on a timely basis all conditions and other contingencies set forth in the Commitment Letters, Existing Credit Agreements and the Definitive Financing Agreements, (iv) pay in a timely manner any commitment or other fees that are or become payable under any of the Commitment Letters, Existing Credit Agreements or Definitive Financing Agreements, (v) use its reasonable best efforts to obtain any rating agency approvals necessary to obtain the Financing, (vi) if necessary, comply with any “market flex” provisions contained in the Commitment Letters or the Definitive Financing Agreements in the event such “market flex” provisions are exercise in accordance with the terms thereof, (vii) diligently enforce its rights under the Commitment Letters, Existing Credit Agreements and Definitive Financing Agreements, and if necessary or appropriate, commence, participate in and diligently pursue legal proceedings against or involving any of the persons that have committed to provide any portion of, or otherwise with respect to, the Financing; (viii) use its reasonable best efforts to cause the lenders and other persons expected to provide the Financing to fund the full amount of the Financing and (ix) otherwise use its reasonable best efforts to cause the Financing to be funded in full on or prior to the Closing.

Parent has the right from time to time to amend, replace, supplement or otherwise modify, or waive any of its rights under, the Commitment Letters, Existing Credit Agreements and Definitive Financing Agreements,
provided that any such amendment, replacement, supplement or other modification to or waiver of any provision of such Commitment Letter, Existing Credit Agreement or Definitive Financing Agreement shall not, (i) reduce the aggregate amount of the Financing such that Parent would not have sufficient cash proceeds to satisfy Parent’s obligations under the Merger Agreement, and to consummate the Transactions and to pay all fees and expenses reasonably expected to be incurred in connection therewith and with the Financing (such amount, the “Required Amount”), (ii) expand upon the conditions precedent to Financing, amend or modify in a manner adverse to Parent, Rosetta Stone or any holders of Company Shares any of the conditions or other contingencies relating to the receipt or funding of the Financing, (iii) be reasonably expected to prevent, materially impede or materially delay the consummation of the Offer, the Merger and the other transactions contemplated by the Merger Agreement, (iv) adversely impact the ability of Parent to enforce its rights against any of the other parties to the Commitment Letters, Existing Credit Agreements or Definitive Financing Agreements or (v) is otherwise adverse to the interests of Parent, Rosetta Stone or any holders of Company Shares in any respect.

If all or any portion of the Debt Financing becomes unavailable on the terms and conditions set forth in the Debt Commitment Letter (including any “market flex” provisions that are contained in the fee letters related thereto) (other than as a result of the Offeror’s failure to accept for payment all Company Shares validly tendered and not properly withdrawn pursuant to the Offer or the failure to satisfy certain of the Offer Conditions), Parent must use its reasonable best efforts to arrange and obtain the Debt Financing or such portion of the Debt Financing from the same or alternative sources, in an amount such that the aggregate funds that would be available to Parent at the Closing will be equal to at least the Required Amount on terms and conditions that are not less favorable to Parent or Rosetta Stone than those contained in the Debt Commitment Letter and provide no less probability of consummating the Transactions (the “Alternative Financing”).

Prior to the Effective Time, Rosetta Stone is required to use its commercially reasonable efforts to provide, and is required to use commercially reasonable efforts to cause its respective representatives to use commercially reasonable efforts to provide, to Parent (at Parent’s sole expense) such cooperation as may be reasonably requested by Parent to assist it in arranging the Debt Financing to the extent customary, in connection with the arrangement of financing similar to the Debt Financing, provided that such requested cooperation does not unreasonably interfere with the ongoing business or operations of Rosetta Stone and its subsidiaries. Subject to the immediately preceding proviso, such cooperation must include: (i) participating at reasonable times and upon reasonable advance notice in a reasonable number of meetings, drafting sessions, road shows and due diligence sessions and in not more than one session with rating agencies, (ii) furnishing Parent and the Lender Parties such financial and other pertinent information available to Rosetta Stone regarding Rosetta Stone and its subsidiaries as may be reasonably requested by Parent or the Lender Parties to the extent required to consummate the Debt Financing in accordance with the terms of the Debt Commitment Letter, (iii) in each case to the extent required to consummate the Debt Financing in accordance with the terms of the Debt Commitment Letter, providing reasonable cooperation to Parent and the Lender Parties in Parent’s preparation of (A) customary offering documents, private placement memoranda, confirmations and undertakings in connection with such marketing material, bank information memoranda, prospectuses and similar documents for any portion of the Debt Financing and (B) customary materials reasonably necessary for rating agency presentations, (iv) providing reasonable cooperation with the marketing efforts of Parent and the Lender Parties for any portion of the Debt Financing as reasonably requested by Parent, (v) furnishing documentation and other information reasonably requested by Parent to evidence compliance with legal requirements, including (A) as may be required by bank regulatory authorities under applicable “beneficial ownership”, “know-your-customer” and anti-money laundering rules and regulations and (B) OFAC, FCPA and the Investment Company Act, (vi) to the extent required by the Lender Parties, executing and delivering customary authorization letters to the Lender Parties authorizing the distribution of Company information to prospective lenders (including customary 10b-5 and material non-public information representations), and (vii) providing reasonable assistance with Parent’s preparation of the definitive financing documentation, including (A) preparation of, effective only upon the Closing, any credit agreements, guarantees, pledge and security documents, other definitive financing documents or other certificates or documents (including, in each case, any schedules and exhibits thereto), required by the
Debt Financing, and (B) in connection with certain indebtedness of Rosetta Stone, obtaining customary lien releases and other security releases and other termination documents.

Parent must promptly, upon request by Rosetta Stone, reimburse Rosetta Stone for all reasonable and documented out-of-pocket costs and expenses incurred by Rosetta Stone or any of its affiliates (including reasonable attorneys’ fees and accountants’ fees) in connection with its cooperation in connection with the Debt Financing. Additionally, Parent has agreed to indemnify and hold harmless Rosetta Stone and its affiliates and its and their respective directors, officers and employees from and against any and all liabilities, losses, damages, claims, fees, costs and expenses (including reasonable and documented attorneys’ fees), interest, awards, judgments, fines and penalties suffered or incurred by them in connection with the arrangement and completion of the Debt Financing and any information utilized in connection therewith, except to the extent caused by the fraud, bad faith, gross negligence or willful misconduct of Rosetta Stone or any of its affiliates.

Publicity. Provided that the Rosetta Stone Board has not made a Change in Recommendation, Rosetta Stone, on the one hand, and Parent and the Offeror, on the other hand, will each consult with the other prior to issuing any press releases or otherwise making public statements with respect to the transactions contemplated by the Merger Agreement and prior to making any filings with any governmental entity with respect to the transactions contemplated by the Merger Agreement. Notwithstanding the foregoing, (a) a party may, without complying with the foregoing obligations, make any public statement in response to questions from the press, analysts, investors or those attending industry conferences, make internal announcements to employees and make disclosures in Company SEC Documents, to the extent that such statements are consistent with previous press releases, public disclosures or public statements made jointly by the parties and otherwise in compliance with these terms, to the extent such previous press releases, public disclosures or public statements are still accurate; (b) a party may, without complying with the foregoing obligations, issue any such press release or make any such public announcement or statement where the management of such party shall have determined in good faith (after consultation with its outside legal counsel) that such disclosure is required by applicable legal requirements or by obligations pursuant to any listing agreement with or rules of any national securities exchange or interdealer quotation service or by the request of any governmental entity; (c) subject to certain terms of the Merger Agreement with respect to Changes in Recommendation and solicitation of Acquisition Proposals and related actions, Rosetta Stone need not comply with the foregoing obligations in connection with any Acquisition Proposal (including any “stop, look and listen” release or Change in Recommendation); and (d) a party may, without complying with the foregoing obligations, issue any such press release or make any such public announcement or statement in connection with any dispute between the parties regarding the Merger Agreement or the transactions contemplated by the Merger Agreement. In addition, subject to certain terms of the Merger Agreement with respect to employee communications, the parties will coordinate with each other and the other’s representatives with respect to communications with employees of Rosetta Stone and its subsidiaries regarding post-Closing transition, integration and related matters; provided, however, that any such communications will be conducted at a reasonable time, jointly and under the supervision of personnel of the Company and conducted in such a manner as not to interfere unreasonably with the normal operation of the business of Rosetta Stone and its subsidiaries. Subject to the Confidentiality Agreement, nothing will prevent any affiliate of Parent that is a private equity or similar investment fund, or any manager or general partner of any such fund, from reporting or disclosing with respect to fundraising, marketing, informational or reporting activities, on a confidential basis, to its partners, investors, potential investors or similar parties, general information regarding the Merger Agreement and the transactions contemplated hereby, in each case subject to customary obligations of confidentiality with respect to non-public information such as transaction value or other specific economic terms.

Other Employee Benefits. During the period commencing at the Effective Time and ending on the first anniversary of the date on which the Effective Time occurs (or, if shorter, the period of employment of the relevant Continuing Employee), Parent shall, and shall cause the Surviving Corporation to, provide each individual who is employed by Rosetta Stone and its subsidiaries immediately prior to the Effective Time and who continues employment with Parent, the Surviving Corporation or any subsidiary of the Surviving
Corporation after the Effective Time (each a “Continuing Employee”) with the following: (i) a base salary or wage rate not less favorable than the base salary or wage rate provided to such Continuing Employee immediately prior to the Effective Time; (ii) a target cash bonus opportunity and/or commission opportunities not less favorable than the target cash bonus opportunity and/or commission opportunities provided to such Continuing Employee immediately prior to the Effective Time; provided, that compliance with the terms of the Merger Agreement shall be deemed to satisfy this clause “(ii)” for the period commencing at the Effective Time and ending on the last day of Rosetta Stone’s 2020 fiscal year; and (iii) other compensation and employee benefits (including under any severance plans and health and welfare benefit plans, but excluding under any equity plans) that are no less favorable than, those provided to similarly situated employees of Parent.

Following the Closing, Parent shall, and shall cause the Surviving Corporation and its subsidiaries to, maintain (without adverse modification) each cash bonus and/or commission plan and program that is a Company Plan for Rosetta Stone’s 2020 fiscal year and to pay to each Continuing Employee the amount of bonus and/or commission actually earned for the 2020 fiscal year by such Continuing Employee as determined by, and subject to the terms and conditions of, the Company Plan applicable to such Continuing Employee; provided, that any employee who is terminated by Rosetta Stone without Cause (as defined in Rosetta Stone’s Change in Control Severance Plan, effective November 1, 2015) shall be entitled to receive the bonus such employee would have received absent such termination.

Parent shall ensure that, as of the Effective Time, each Continuing Employee receives full credit (for all purposes, including eligibility to participate, vesting, benefit accrual, vacation and leave entitlement and severance benefits) for service with Rosetta Stone and its subsidiaries (or predecessor employers to the extent either Rosetta Stone or its subsidiaries provides such past service credit) under the employee benefit plans, programs and policies of Parent, the Surviving Corporation or any subsidiary of the Surviving Corporation, as applicable, in which Continuing Employees become participants (the “Parent Plans”), to the same extent as such Continuing Employee was entitled, before the Effective Time, to credit for such service under any similar Company Plan; provided, however, that the foregoing shall not apply with respect to benefit accrual under any defined benefit pension plan or to the extent that its application would result in a duplication of benefits. As of the Effective Time, Parent shall, or shall cause the Surviving Corporation and its subsidiaries to, credit to Continuing Employees the amount of unused vacation and sick leave time that such Continuing Employees had accrued under any applicable Company Plan as of the Effective Time. In addition, (i) each Continuing Employee shall be immediately eligible to participate, without any waiting time, in any Parent Plan to the extent coverage under such Parent Plan is replacing comparable coverage under a Company Plan in which such Continuing Employee was participating, and (ii) with respect to each Parent Plan providing medical, dental, pharmaceutical and/or vision benefits, Parent shall (A) cause to be waived any evidence of insurability requirements and the application of any pre-existing condition limitations under such Parent Plan to the extent such evidence of insurability requirements and pre-existing condition limitations requirements would apply under the analogous Company Plan and (B) cause each Continuing Employee to be given credit under such Parent Plan for all amounts paid by such Continuing Employee under any similar Company Plan for the plan year that includes the Effective Time for purposes of applying deductibles, co-payments and out-of-pocket maximums as though such amounts had been paid in accordance with the terms and conditions of the Parent Plans for the plan year in which the Effective Time occurs.

Parent will cause the Surviving Corporation and its subsidiaries to honor, in accordance with their terms, all written Company Plans that provide for severance, change in control or separation, including any such Company Plans established pursuant to a written employment, severance, retention, incentive, change in control or termination agreement (including any change in control provisions therein) between Rosetta Stone and its subsidiaries and any Continuing Employee. Parent acknowledges that the transactions contemplated by the Merger Agreement will constitute a “change in control” (or similar term) of Rosetta Stone under the terms of such Company Plans, if applicable.

With respect to any Qualified Plan, if directed by Parent in writing at least 10 business days prior to the Effective Time, Rosetta Stone will terminate such Qualified Plan, effective not later than the business day immediately
Prior to making any written or oral communications to officers or employees of Rosetta Stone and its subsidiaries pertaining to compensation or benefit matters that are affected by the transactions, each party will provide the other party with a copy of the intended communication, the other party will have a reasonable period of time to review and comment on the communication, and the relevant party will consider any such comments in good faith.

Subject to the terms of the Merger Agreement, nothing is intended nor shall be construed to require, and Rosetta Stone and its subsidiaries shall take no action that would have the effect of requiring, Parent or Rosetta Stone and its subsidiaries to continue any specific employee benefit plans or to continue the employment of any specific person. The provisions above are for the sole benefit of the parties to the Merger Agreement and nothing, expressed or implied, is intended or shall be construed to (i) be treated as an amendment to any particular Company Plan, (ii) subject to the terms of the Merger Agreement, prevent Rosetta Stone and its subsidiaries or Parent from amending or terminating any Company Plan or any of its benefit plans in accordance their terms, (iii) create a right in any employee, including any Continuing Employee, to employment with Rosetta Stone or any of its subsidiaries, Parent, the Surviving Corporation or any of their subsidiaries or (iv) confer upon or give any person (including for the avoidance of doubt any current or former employee (including Continuing Employees), director or independent contractor of Rosetta Stone), other than the parties and their respective permitted successors and assigns, any legal or equitable or other rights or remedies with respect to the matters provided for in the above provisions or otherwise create any third-party beneficiary rights in any person other than the parties hereto and their respective permitted successors and assigns, including with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any Continuing Employee by Parent or the Surviving Corporation or under any benefit plan which Parent, Rosetta Stone or the Surviving Corporation may maintain.

**Compensation Arrangements.** Prior to the Acceptance Time, the compensation committee of the Rosetta Stone Board (the “Compensation Committee”) will cause each Company Plan and Company employment agreement pursuant to which consideration is payable to any officer, director or employee who is a holder of any security of the Company to be approved by the Compensation Committee (comprised solely of “independent directors”) in accordance with the requirements of Rule 14d-10(d)(2) under the Exchange Act and the instructions thereto as an “employment compensation, severance or other employee benefit arrangement” within the meaning of Rule 14d-10(d)(2) under the Exchange Act and satisfy the requirements of the non-exclusive safe harbor set forth in Rule 14d-10(d) of the Exchange Act.

**Directors’ and Officers’ Indemnification and Insurance.** From and after the Acceptance Time, Parent will cause Rosetta Stone and its subsidiaries, including the Surviving Corporation and its subsidiaries, to fulfill and honor in all respects the obligations Rosetta Stone and its subsidiaries pursuant to (i) each indemnification agreement in effect between Rosetta Stone or and of its subsidiaries and any Indemnified Party (as defined below) and (ii) any indemnification, exculpation from liability or advancement of expenses provision set forth in the organizational documents of Rosetta Stone and its subsidiaries as in effect on the date of this Agreement. The Organizational Documents of the Surviving Corporation shall contain the provisions with respect to indemnification, exculpation from Liability and advancement of expenses set forth in the Company’s Organizational Documents on the date of this Agreement and, from and after the Acceptance Time, such provisions shall not be amended, repealed or otherwise modified in any manner that would reasonably be expected to adversely affect the rights thereunder of any Indemnified Party.

Without limiting the provisions above, during the period commencing at the Acceptance Time and ending on the sixth anniversary of the Effective Time, Parent shall indemnify and hold harmless each individual who is or was an officer or director of Rosetta Stone or any of its subsidiaries at or at any time prior to the Acceptance Time.
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(each and “Indemnified Party”) against and from any Liabilities in connection with any claim, legal proceeding, arbitration, investigation or inquiry, whether civil, criminal, administrative or investigative, to the extent such claim, legal proceeding, arbitration, investigation or inquiry arises directly or indirectly out of or pertains directly or indirectly to (i) any action or omission or alleged action or omission in such Indemnified Party’s capacity as a director, officer, employee or agent of Rosetta Stone or any of its subsidiaries (with respect to any such action or omission, or alleged action or omission, that occurred prior to or at the Effective Time) or (ii) any of the transactions contemplated by this Agreement; provided, however, that, if, at any time prior to the sixth anniversary of the Effective Time, any Indemnified Party delivers to Parent, the Surviving Corporation or any subsidiary of the Surviving Corporation a written notice asserting a claim for indemnification, then the claim asserted in such notice shall survive the sixth anniversary of the Effective Time until such time as such claim is fully and finally resolved. In addition, from and after the Acceptance Time, Parent shall, and shall cause the Surviving Corporation and its subsidiaries to, advance, prior to the final disposition of any claim, legal proceeding, arbitration, investigation or inquiry for which indemnification may be sought, promptly following request by an Indemnified Party therefor, all costs, fees and expenses (including reasonable attorneys’ fees and investigation expenses) incurred by such Indemnified Party in connection with any such claim, legal proceeding, arbitration, investigation or inquiry.

Further, the Merger Agreement requires that Parent will cause the Surviving Corporation to obtain a prepaid “tail” policy (the “Tail Policy”), effective as of the Effective Time, which policy provides the Indemnified Parties with directors’ and officers’ liability insurance with limits and scope consistent with Rosetta Stone’s current directors’ and officers’ liability insurance policies in effect as of the date of the Merger Agreement for a period beginning at the Effective Time and ending no earlier than the sixth anniversary of the Effective Time. Parent shall cause any such Tail Policy to be maintained in full force and effect, for its full term, and cause all obligations thereunder to be honored by the Surviving Corporation; provided, that (i) in no event shall the premiums for the Tail Policy exceed an aggregate premium amount in excess of 300% of the premium amount per annum for the Company’s existing insurance coverage for the Indemnified Parties and (ii) if the aggregate premium amount for the Tail Policy exceeds such amount, Parent shall obtain a Tail Policy with the greatest coverage available, with respect to matters occurring prior to the Closing, for a cost not exceeding such amount.

The Merger Agreement also provides that in the event the Surviving Corporation, any of its subsidiaries or any of their respective successors or assigns (i) consolidates with or merges into any other person and is not the continuing or surviving corporation or Entity of such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any person, then, and in each such case, Parent shall ensure that the successors and assigns of the Surviving Corporation or such subsidiary, or at Parent’s option, Parent, shall assume the obligations set forth in the Merger Agreement with respect to the Tail Policy.

The rights of each Indemnified Party under the Merger Agreement with respect to the Tail Policy are in addition to, and not in limitation of, any other rights such Indemnified Party may have under the organizational documents of Rosetta Stone or any of its subsidiaries or the Surviving Corporation, under any other indemnification arrangement, under the DGCL or otherwise. The rights will survive the Acceptance Time and will also survive consummation of the Merger and the Effective Time. The terms of the Merger Agreement described in this section are intended to benefit, and may be enforced by, the Indemnified Parties and their respective heirs, representatives, successors and assigns, and is binding on all successors and assigns of Parent, the Surviving Corporation and its subsidiaries. Further, it may not be amended, altered or repealed after the Acceptance Time without the prior written consent of the affected Indemnified Party.

Section 16 Matters. The Rosetta Stone Board will, to the extent necessary, take appropriate action, prior to or as of the Acceptance Time, to approve, for purposes of Section 16(b) of the Exchange Act, the disposition of Company Shares in the Offer and the deemed disposition and cancellation of Company Shares and, as applicable, Company Options, Company Non-Performance RSUs and Company Performance RSUs in the Merger by applicable individuals.

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Stock Exchange De-listing and De-registration. Prior to and following the Effective Time, the Company (and the Surviving Corporation) will use its commercially reasonable efforts to cause the Company Shares to no longer be quoted on the NYSE and to be deregistered under the Exchange Act effective as soon as practicable following the Effective Time.

Stockholder Litigation. Rosetta Stone will provide Parent with prompt notice of, and copies of all pleadings and correspondence relating to, any legal proceeding against the Company or any of its directors or officers by any holder of Company Shares arising out of or relating to the Merger Agreement or the transactions contemplated by the Merger Agreement. Rosetta Stone will give Parent the opportunity to participate in (but not control) the defense, settlement or compromise of any such legal proceeding, at Parent’s sole cost and expense, and no such settlement or compromise will be agreed to without the prior written consent of Parent, which consent will not be unreasonably withheld, conditioned or delayed. For purposes of this provision, “participate” means that Parent will be kept apprised of proposed strategy and other decisions with respect to the legal proceeding by Rosetta Stone (to the extent that, on the advice of outside counsel, the attorney-client privilege between Rosetta Stone and its counsel is not undermined or otherwise materially affected; provided, however, that Rosetta Stone will use reasonable best efforts to keep Parent apprised of proposed strategic and other decisions in a manner that does not undermine or effect attorney-client privilege, including by entering into a joint defense or similar agreement), and Parent may offer comments or suggestions with respect to the legal proceeding (and Rosetta Stone will reasonably consider in good faith the inclusion or incorporation of any such comments or suggestions provided in a timely manner), but will not be afforded any decision-making power or other authority over the legal proceeding, except for the settlement or compromise consent set forth above.

Anti-Takeover Statutes. Rosetta Stone and Parent have agreed to use all reasonable efforts (a) to take all action necessary so that no takeover statute or similar law (any such law a “Takeover Statute”) is or becomes applicable to restrict or prohibit the Merger or the other transactions contemplated hereby and (b) if any Takeover Statute is or becomes applicable to restrict or prohibit any of the foregoing, to take all action reasonably necessary so that the Merger and the other transactions contemplated may be consummated as promptly as practicable on the terms contemplated by the Merger Agreement and otherwise act to eliminate or minimize (to the greatest extent practicable) the effects of such Takeover Statute on the Merger and the other transactions contemplated thereby.

Notification of Certain Matters. The Merger Agreement requires that from time to time prior to the Effective Time, Rosetta Stone will use reasonable best efforts to disclose in writing to Parent, promptly upon obtaining knowledge of, the occurrence or non-occurrence of any fact or event that would be reasonably likely to prevent or materially delay the satisfaction of any Offer Condition or any other condition to the consummation of the Merger set forth in the Merger Agreement; provided, however, that no such notification will affect the remedies of the parties under the Merger Agreement.

Further, from time to time prior to the Closing, Parent will use reasonable best efforts to disclose in writing to Rosetta Stone, promptly upon obtaining knowledge of the occurrence or non-occurrence of any fact or event that would be reasonably likely to prevent or materially delay the satisfaction of any Offer Condition or any other condition to the consummation of the Merger set forth in the Merger Agreement; provided, however, that no such notification will affect the remedies of the parties under the Merger Agreement.

Confidentiality. Information disclosed pursuant to the Merger Agreement will be governed under the Confidentiality Agreement, dated as of February 5, 2020, by and between Rosetta Stone and Parent.

Conditions to the Consummation of the Merger. Pursuant to the Merger Agreement, the obligation of each party to effect the Merger shall be subject to the satisfaction or waiver of the following conditions prior to the Effective Time:

(a) the Offeror (or Parent on the Offeror’s behalf) shall have accepted for payment and paid for the Company Shares validly tendered pursuant to the Offer and not withdrawn; and
(b) no order preventing, enjoining, restraining, prohibiting or making illegal the consummation of the Merger or the other transactions contemplated hereby shall have been issued, enacted, promulgated, enforced or entered by any governmental entity of competent jurisdiction and remain in effect, and there shall not be any legal requirement issued, enacted, promulgated, enforced or entered that makes consummation of the Merger or the other transactions contemplated hereby illegal or prevents, enjoin, restrain or prohibit the consummation of the Merger or the other transactions by the Merger Agreement.

Termination. The Merger Agreement provides that it may be terminated, and the Offer and Merger may be abandoned by:

(a) mutual written consent of Rosetta Stone, Parent and the Offeror;

(b) either Rosetta Stone or Parent at any time after December 29, 2020 (the “End Date”) and prior to the Acceptance Time if the Acceptance Time did not occur on or before the End Date; provided, however, that a party will not be permitted to terminate the Merger Agreement if the material failure of such party (including, in the case of Parent, the Offeror) to perform any covenant required to be performed by such party (including, in the case of Parent, the Offeror) at or prior to the Acceptance Time shall have been a proximate cause of the failure of the Acceptance Time to have occurred on or before the End Date;

(c) Parent or Rosetta Stone at any time prior to the Acceptance Time if (i) there will be any legal requirement issued, enacted, promulgated, enforced or entered that prohibits, enjoins, restrains or makes illegal the acceptance for payment of, or the payment for, Company Shares tendered pursuant to the Offer, the Merger or the other transactions contemplated hereby, or (ii) any governmental entity issued, enacted, promulgated, enforced or entered an order having the effect of making illegal, restraining, enjoining, preventing or otherwise prohibiting the acceptance for payment of, or payment for, Company Shares tendered pursuant to the Offer, the Merger or the other transactions contemplated hereby, and such order will have become final and non-appealable; provided, however, that a party will not be permitted to terminate the Merger Agreement if the material failure of such party (including, in the case of Parent, the Offeror) to perform any covenant required to be performed by such party (including, in the case of Parent, the Offeror) at or prior to the Acceptance Time shall have been the proximate cause of the existence of such legal requirement or order;

(d) Parent or Rosetta Stone if the Offer (as it may have been extended) expires as a result of the non-satisfaction of one or more Offer Conditions, or is terminated or withdrawn prior to the Acceptance Time, without the Offeror having accepted for payment any Company Shares tendered pursuant to the Offer; provided, however, that a party will not be permitted to terminate the Merger Agreement if the non-satisfaction of any Offer Condition, or the termination or withdrawal of the Offer, was proximately caused by the material failure of such party (including, in the case of Parent, the Offeror) to perform any covenant required to be performed by such party (including, in the case of Parent, the Offeror) at or prior to the Acceptance Time;

(e) Parent at any time prior to the Acceptance Time if the Rosetta Stone Board shall have effected a Change in Recommendation;

(f) Rosetta Stone at any time prior to the Acceptance Time if (i) Rosetta Stone has received a Superior Proposal that did not result from a breach of the Merger Agreement (other than any breach that was immaterial); (ii) Rosetta Stone Board has authorized Rosetta Stone to enter into an alternative acquisition agreement with respect to such Superior Proposal; (iii) substantially concurrently with the termination of the Merger Agreement, Rosetta Stone enters into such alternative acquisition agreement; (iv) Rosetta Stone and the Rosetta Stone Board have complied in all respects with respect to such Superior Proposal (other than any non-compliance that was immaterial) and (v) Rosetta Stone pays the Company Termination Fee;

(g) Parent by written notice to Rosetta Stone at any time prior to the Acceptance Time, if a breach or inaccuracy of any representation or warranty or failure to perform or comply with any covenant or obligation contained in the Merger Agreement on the part of Rosetta Stone have occurred that would cause a
failure of the Offer Conditions or any of the conditions to be satisfied; provided, however, that, if such a breach, inaccuracy or failure is curable by Rosetta Stone prior to the earlier of (i) 20 days following the date Parent gives Rosetta Stone notice of such breach, inaccuracy or failure and (ii) the End Date, and Rosetta Stone is continuing to use commercially reasonable efforts to cure such breach, inaccuracy or failure, then Parent may not terminate the Merger Agreement on account of such breach, inaccuracy or failure unless such breach, inaccuracy or failure shall remain uncured upon the earlier of (A) the expiration of such 20 day period and (B) the End Date; provided, further, that Parent will not be permitted to terminate the Merger Agreement if there is a breach, inaccuracy or failure such that Rosetta Stone would have the right to terminate the Merger Agreement (but for any required notice or cure period associated with such termination right);

(h) Rosetta Stone by written notice to Parent at any time prior to the Acceptance Time, if (i) a breach or inaccuracy, in each case, in any material respect, of any representation or warranty or failure to perform or comply with, in each case, in any material respect, any covenant or obligation contained in the Merger Agreement on the part of Parent or the Offeror have occurred, and (ii) such breach, inaccuracy or failure has prevented, or would reasonably be expected to prevent, Parent or the Offeror from consummating the transactions contemplated by the Merger Agreement; provided, however, that, if such a breach, inaccuracy or failure is curable by Parent prior to the earlier of (A) 20 days following the date Rosetta Stone gives Parent notice of such breach and (B) the End Date, and Parent is continuing to use its commercially reasonable efforts to cure such breach, inaccuracy or failure, then Rosetta Stone may not terminate the Merger Agreement on account of such breach, inaccuracy or failure unless such breach, inaccuracy or failure will remain uncured upon the earlier of (1) the expiration of such 20 day period and (2) the End Date; provided, further, that Rosetta Stone will not be permitted to terminate the Merger Agreement if there is a breach, inaccuracy or failure such that Parent would have the right to terminate the Merger Agreement (but for any required notice or cure period associated with such termination right);

(i) Rosetta Stone if the Offeror (i) fails to commence the Offer on or prior to the 10th business day following the date of the Merger Agreement in accordance with the terms of the Merger Agreement; or (ii) terminates the Offer prior to the Expiration Time, other than in accordance with the terms of the Merger Agreement; or

(j) Rosetta Stone if (i) at the Expiration Time (for the avoidance of doubt, after giving effect to all extensions thereof), all of the Offer Conditions have been and remain satisfied or waived (other than those conditions that by their nature are to be satisfied at the Expiration Time, but subject to such conditions being able to be satisfied), (ii) Rosetta Stone has delivered written notice to Parent to such effect, and (iii) the Offeror fails to consummate (as defined in Section 251(h) of the DGCL) the Offer and the Merger within two business days following Rosetta Stone’s delivery of such notice.

Effect of Termination. In the event of the termination of the Merger Agreement in accordance with its terms, the Merger Agreement will be of no further force or effect, without any Liability on the part of any party thereto; provided, however, that (a) Parent’s and the Offeror’s obligations in connection with termination of the Offer and with the treatment and destruction or return of information that is subject to the Confidentiality Agreement, Rosetta Stone’s obligation to pay the Company Termination Fee (as defined below), Parent’s obligation to pay the Parent Termination Fee (as defined below), certain acknowledgements of the parties to the Merger Agreement with respect to the Company Termination Fee and the Parent Termination Fee and certain other matters, including, among others, the rights of the parties to seek specific performance of the terms of the Merger Agreement will survive the termination of the Merger Agreement and will remain in full force and effect; and (b) subject to certain exceptions in the event that the Parent Termination Fee is payable, the termination of the Merger Agreement will not relieve any party from any liability for any intentional and material breach of the Merger Agreement (which liability will include, in the case of such a breach by Parent or the Offeror, any loss to the stockholders of Rosetta Stone of the consideration that would have otherwise been payable to them). Without limiting the generality of the foregoing, Parent and the Offeror acknowledge and agree that any failure of Parent or the Offeror to satisfy its obligation to accept for payment or pay for Company Shares following satisfaction of the Offer Conditions, and any failure of Parent to cause the Merger to be effected following satisfaction of the
conditions, will be deemed to constitute an intentional and material breach of the Merger Agreement. The Confidentiality Agreement will not be affected by a termination of the Merger Agreement.

Fees and Expenses Following Termination. Under the Merger Agreement, Rosetta Stone has agreed to pay to Parent a one-time fee of $15,833,067 (the “Company Termination Fee”) by wire transfer of immediately available funds, in the event that:

- Parent or Rosetta Stone terminates the Merger Agreement, (i) as described in paragraph (b) or (d) of the “Termination” section, (ii) following the date of the Merger Agreement and prior to the time of the termination of the Merger Agreement, an Acquisition Proposal had been made known to Rosetta Stone or any of its subsidiaries or publicly announced (and such Acquisition Proposal had not been withdrawn prior to the time of the termination of the Merger Agreement) and (iii) Rosetta Stone or any of its subsidiaries (A) consummates a Specified Acquisition Transaction within 12 months after such termination or (B) enters into a definitive agreement within 12 months after such termination providing for a Specified Acquisition Transaction that is subsequently consummated;
- Parent, prior to the Acceptance Time, terminates the Merger Agreement as described in paragraph (e) of the “Termination” section above; or
- Rosetta Stone terminates the Merger Agreement as described in paragraph (f) of the “Termination” section above.

Under the Merger Agreement, Parent has agreed to pay to Rosetta Stone a one-time fee of $55,415,734 (“Parent Termination Fee”) by wire transfer of immediately available funds within two business days after termination, in the event that Rosetta Stone terminates the Merger Agreement pursuant to paragraph (h) or (j) of the “Termination” section above (or by Rosetta Stone or Parent pursuant to paragraph (b) of the “Termination” section above at a time when Rosetta Stone could have terminated the Merger Agreement pursuant to paragraph (b) or (j)).

Notwithstanding anything to the contrary as set forth in the Merger Agreement, but subject to (v) the “Effect of Termination” section above, (w) certain Parent Termination Fee provisions, (x) Rosetta Stone and its subsidiaries’ indemnity provisions, (y) an order of specific performance as, and only to the extent expressly permitted by, the Merger Agreement and (z) Rosetta Stone’s rights and remedies under the Limited Guaranty (subject to the terms thereof): (i) Rosetta Stone’s right to terminate the Merger Agreement and, if the Merger Agreement is terminated in circumstances in which the Parent Termination Fee is payable, receive the Parent Termination Fee, shall be the sole and exclusive remedy of Rosetta Stone against (1) Parent, (2) the Offeror, (3) Sponsor, (4) the Debt Financing Related Parties and (5) any former, current or future general or limited partners, directors, officers, employees, agents, members, managers, attorneys or representatives of any person named in the foregoing clauses (1), (2), (3) or (4) or any of their respective affiliates or representatives (collectively, the persons named in the foregoing clauses (1) through (5), the “Parent Related Parties”) for any loss suffered as a result of, relating to or arising out of such termination, the Merger Agreement, the Equity Financing Commitment Letter, the Debt Financing Commitment Letter, the Definitive Financing Agreements, the other agreements referred to in the Merger Agreement and the transactions contemplated thereby, including any breach of the Merger Agreement by Parent or the Offeror, the termination of the Merger Agreement or the failure to consummate the transactions contemplated thereby, and (ii) none of the Parent Related Parties shall have any liability or obligation to Rosetta Stone or any of its affiliates as a result of, relating to or arising out of the Merger Agreement by Parent or the Offeror, the termination of the Merger Agreement or the failure to consummate the transactions contemplated thereby. For the avoidance of doubt, (I) the sum of an amount equal to the Parent Termination Fee and the amount payable under certain terms of the Merger Agreement is intended to serve as a cap on the maximum aggregate monetary liability of the Parent Related Parties under the Merger Agreement in the event Parent or the
Offeror breaches the Merger Agreement or fails to perform thereunder, and under no such circumstances shall Rosetta Stone be entitled to collect, if due, more than the amounts specified in this clause (I), and (II) while Rosetta Stone may pursue both a grant of specific performance of the type contemplated by the Merger Agreement and the payment of the Parent Termination Fee pursuant to the terms of the Merger Agreement, as the case may be, under no circumstances shall Rosetta Stone be permitted or entitled to receive both a grant of specific performance to consummate the transactions contemplated thereby and monetary damages, including all or any portion of the Parent Termination Fee.

If Parent fails to pay the Parent Termination Fee when due, then Parent shall pay to Rosetta Stone interest on such overdue amount (for the period commencing as of the date such overdue amount was originally required to be paid and ending on the date such overdue amount is actually paid to Parent) at a rate per annum equal to the “prime rate” (as published in *The Wall Street Journal*) in effect on the date such amount was originally required to be paid.

**Amendment.** The Merger Agreement may be amended with the approval of the respective parties at any time prior to the Effective Time. Without limiting the foregoing, the Merger Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties. Notwithstanding the foregoing, (a) after the Acceptance Time, no amendment to the Merger Agreement that decreases, or has the effect of decreasing, the consideration payable with respect to any Company Share as set forth in the Merger Agreement shall be permitted, (b) none of the provisions of the Merger Agreement to which the Debt Financing Sources are express third-party beneficiaries may be amended or waived in any manner adverse to any Debt Financing Source without the consent of the affected Debt Financing Source and (c) any amendment to this Agreement prior to the Effective Time shall require, in addition to the consent of Parent and the Offeror, the consent of (i) the Rosetta Stone Board and (ii) each Continuing Director if, at the time of such consent by the Rosetta Stone Board, the Continuing Directors constitute a minority of the Rosetta Stone Board. For purposes of this provision, “Continuing Director” means an individual who is a director on the Rosetta Stone Board on the date of this Agreement or who has been nominated or designated to be a director on the Rosetta Stone Board by a majority of the directors on the Rosetta Stone Board, as constituted on the date of the Merger Agreement.

**Specific Performance.** Under the Merger Agreement, the parties to the Merger Agreement are entitled to an injunction or injunctions to prevent breaches of the Merger Agreement and to enforce specifically the terms and provisions of the Merger Agreement, and no party shall be required to obtain, furnish or post any bond in connection with or as a condition to obtaining specific performance.

Notwithstanding the foregoing, Rosetta Stone is entitled to specific performance to cause the Offeror to consummate (as defined in Section 251(h) of the DGCL) the Offer and the Merger in accordance with this Agreement if, and only if:

- with respect to consummation of the Offer, all of the Offer Conditions (other than those Offer Conditions that by their nature are to be satisfied or waived at the Expiration Time) have been and remain satisfied or waived at the time the Expiration Time;
- with respect to the consummation of the Merger, the conditions to the consummations of the Merger set forth in the Merger Agreement are satisfied (other than those conditions that by their nature are to be satisfied or waived at the Effective Time);
- the Debt Financing has been funded or, assuming the Equity Financing is funded, will be funded in accordance with its terms;
- Rosetta Stone has delivered irrevocable written notice to Parent that it is ready, willing and able to take all action required of it under the Merger Agreement to consummate (as defined in Section 251(h) of the DGCL) the Offer and to consummate the Merger; and
- the Offeror fails to consummate (as defined in Section 251(h) of the DGCL) the Offer and to consummate the Merger within two business days following Rosetta Stone’s delivery of such notice.
The Limited Guarantee. Simultaneously with the execution of the Merger Agreement, the Sponsor provided Rosetta Stone with a limited guarantee, dated as of August 29, 2020 (the “Limited Guarantee”), pursuant to which the Sponsor guarantees the payment to Rosetta Stone of (i) the Parent Termination Fee, if and when due under the terms of the Merger Agreement and (ii) Parent’s reimbursement and/or indemnification obligations expressly set forth in the Merger Agreement.

The foregoing summary and description of the limited guarantee identified above does not purport to be complete and is qualified in its entirety by reference to the full text of the Limited Guarantee, a copy of which has been filed as Exhibit (d)(3) to the Schedule TO and which is incorporated herein by reference.

The Confidentiality Agreement. Rosetta Stone and Parent entered into a confidentiality agreement dated as of February 5, 2020 (the “Confidentiality Agreement”). As a condition to being furnished certain confidential information (“Confidential Information”), Parent agreed that such Confidential Information will be kept by it and its representatives confidential and will be used solely for the purpose of evaluating, negotiating and consummating a possible consensual transaction between it and Rosetta Stone. The Confidentiality Agreement contains customary standstill provisions that last until February 5, 2021. The obligations of Parent, the Offeror and any affiliates thereof (including the standstill provisions) will terminate upon consummation of the Merger. If the Merger has not been consummated, the Confidentiality Agreement will expire February 5, 2022.

The foregoing summary and description of the Confidentiality Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Confidentiality Agreement, a copy of which has been filed as Exhibit (d)(4) to the Schedule TO and which is incorporated herein by reference.

12. Sources and Amount of Funds

The Offeror estimates that it will need approximately $792 million to purchase Shares in the Offer, to provide funding for the consideration to be paid in the Merger, to refinance certain existing indebtedness of Rosetta Stone at the Effective Time and to pay certain fees and expenses related to the Transactions. Parent, Cambium Learning Group, Inc. and Cambium Intermediate Holdings Inc. have received (i) a commitment from certain lenders to provide a $425.0 million incremental senior secured first lien term loan facility (the “First Lien Incremental Term Loan Facility”) pursuant to Cambium Learning Group, Inc.’s existing first lien credit facility (the “Existing First Lien Credit Agreement”) and (ii) a commitment from certain lenders to provide a $150.0 million incremental senior secured second lien term loan facility (the “Second Lien Incremental Term Loan Facility” and, together with the First Lien Incremental Loan Facility, the “Incremental Term Loans”) pursuant to Cambium Learning Group, Inc.’s existing second lien credit facility (the “Existing Second Lien Credit Agreement”). Subject to certain conditions, the Debt Financing will be made available to finance the Offer and the Merger, refinance certain of Rosetta Stone’s existing indebtedness, pay related fees and expenses incurred in connection with the Offer and the Merger and the Transactions and to provide for ongoing working capital and for other general corporate purposes of Rosetta Stone and its subsidiaries. In addition, Parent has obtained an Equity Commitment Letter from the Sponsor which provides for the Sponsor’s commitment of up to $221 million in aggregate of equity financing. Parent will contribute or otherwise advance to the Offeror the proceeds of the equity commitments, which, together with net proceeds of the Debt Financing and available cash of Rosetta Stone and its subsidiaries following the Merger, will be sufficient to pay the Required Amount. The equity and debt financing commitments are subject to certain conditions.

We do not believe our financial condition is material to your decision whether to tender your Shares and accept the Offer because (a) the Offer is not subject to any financing condition, (b) if we consummate the Offer, subject to the satisfaction or waiver of certain conditions, we have agreed to acquire all remaining Shares (other than Company Shares (i) owned by Rosetta Stone or any of its subsidiaries (including Shares held as treasury stock), or (ii) owned by Parent or any of its subsidiaries, including the Offeror (including any Shares acquired by the Offeror in the Offer), in each case, immediately prior to the Effective Time) for cash at the same price per share.
in the Merger as the Offer Price and (c) we have all of the financial resources, including committed debt and equity financing, sufficient to finance the Offer and the Merger.

Debt Financing.

Parent, Cambium Learning Group, Inc. and Cambium Intermediate Holdings Inc. have received the commitment letter, dated August 29, 2020 (the “Debt Commitment Letter”) from certain arrangers and lenders (the “Lender Parties”) to provide, subject to the satisfaction (or waiver by the Lender Parties) of the conditions set forth therein, the (i) First Lien Incremental Term Loan Facility in an aggregate principal amount of $425.0 million and (ii) Second Lien Incremental Term Loan in an aggregate principal amount of $150.0 million.

In the event that (a) the Closing does not occur on or before 5:00 p.m. New York City time on January 5, 2021, (b) the Merger Agreement is validly terminated, (c) the “Closing Date” (as defined in the Merger Agreement) has occurred or (d) the Merger is consummated with or without the funding of the Incremental Term Loans, then the Debt Commitment Letter and the commitment of the Lender Parties with respect to the Debt Financing will automatically terminate, unless the Lender Parties, in their discretion, agree to an extension. The documentation governing the Debt Financing has not been finalized and, accordingly, the actual terms of the Debt Financing may differ from those described in this document. Each of Parent and the Offeror has agreed to use its reasonable best efforts to consummate the Debt Financing on the terms and conditions contained in the Debt Commitment Letter (including any “market flex” provisions applicable thereto). If any portion of the Debt Financing becomes unavailable on the terms and conditions set forth in the Debt Commitment Letter (including any “market flex” provisions that are contained in the fee letters related thereto), Parent is required to use its reasonable best efforts to arrange and obtain the Debt Financing or such portion of the Debt Financing from the same or alternative sources, in an amount such that the aggregate funds that would be available to Parent at the Closing will be equal to at least the Required Amount on terms and conditions that are not less favorable to Parent or the Company than those contained in the Debt Commitment Letter and provide no less probability of consummating the Transactions (the “Alternative Financing”).

Although the Debt Financing described in this document is not subject to a due diligence or “market out” condition, such financing may not be considered assured. As of the date of the Merger Agreement, no alternative financing arrangements or alternative financing plans have been made in the event the Debt Financing described herein is not available.

Conditions Precedent to the Debt Commitments. The availability of the Debt Financing is subject to, among other things:

- consummation of the Offer and the Merger in all material respects in accordance with the terms of the Merger Agreement, without giving effect to any waiver or amendment thereto or consent granted thereunder by Parent or any of Parent’s affiliates party thereto, that are materially adverse to the interests of the Lender Parties (in their capacities as such) without the prior consent of the arrangers and bookmanagers thereof;
- the specified acquisition agreement representations shall be true and correct (after giving effect to all applicable materiality qualifier applicable thereto and the specified representations contained in the Debt Commitment Letter shall be true and correct in all material respects (or, in the case of such specified representation already qualified by materiality, by “material adverse change” or by “material adverse effect”, true and correct in all respects);
- since the date of the Merger Agreement, there shall not have occurred any Material Adverse Effect;
- on the date of the Closing, third party debt for borrowed money of the Rosetta Stone and its subsidiaries will be repaid and all commitments to extend credit thereunder will be terminated, and all guarantees and security interests, if any, in respect thereof terminated and discharged;
- the delivery of certain historical financial statements and certain other financial statements;

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Debt Financing. The Incremental Term Loans are expected to be comprised of (a) the First Lien Incremental Term Loan Facility and (b) the Second Lien Incremental Term Loan Facility. RBC Capital Markets (“RBCCM”) and Deutsche Bank Securities Inc. (“DBSI”) will act as the arrangers and bookmanagers appointed pursuant to the terms of the Debt Commitment Letter.

Closing Date Availability. On the date of the Closing, the Lender Parties have committed to make loan proceeds of up to (a) $425.0 million in respect of the First Lien Incremental Term Loan Facility and (b) $150.0 million in respect of the Second Lien Incremental Term Loan Facility.

Incremental Term Loan Facility

Interest Rate. Loans under the First Lien Incremental Term Loan Facility are expected to bear interest, at the option of Cambium Learning Group, Inc., at a rate equal to the adjusted LIBOR or an alternate base rate, in each case plus a spread. Loans under the Second Lien Incremental Term Loan Facility are expected to bear interest, at the option of Cambium Learning Group, Inc., at a rate equal to the adjusted LIBOR or an alternate base rate, in each case plus a spread.

Guarantors. All obligations under the Incremental Term Loans, the Existing Credit Agreements and under certain hedging agreements and cash management arrangements will be guaranteed by Cambium Intermediate Holdings, LLC and certain of its subsidiaries (that are not borrower’s under the Existing Credit Agreements, as amended) and each of the existing and future direct and indirect, material wholly-owned domestic subsidiaries of Cambium Intermediate Holdings, LLC (that are not borrowers under the Existing Credit Agreement, as amended (subject to customary exceptions).

Security. The obligations under the Incremental Term Loans, the Existing Credit Agreements and under certain hedging agreements and cash management arrangements entered into with a lender or any of its affiliates, will be secured, subject to permitted liens and other agreed upon exceptions, on a first priority basis, by a perfected security interest in subject to customary exceptions, substantially all of the present and after-acquired assets of the Cambium Intermediate Holdings, LLC, each borrower and each subsidiary guarantor.

Other Terms. The Incremental Term Loans will contain and the Existing Credit Agreements contain customary representations and warranties and customary affirmative and negative covenants and events of default (which includes a change of control provision), including, among other things, restrictions on indebtedness, investments, sales of assets, mergers and acquisitions, transactions with affiliates, liens and dividends and other distributions.

Equity Financing.

Parent has received the Equity Commitment Letter, dated as of August 29, 2020 (the “Equity Commitment Letter”), pursuant to which the Sponsor committed subject to the terms and conditions thereof, to provide Parent with equity financing (“Equity Financing” and together with the Debt Financing, the “Financing”) in an amount up to its pro rata share of $221 million in the aggregate (the “Aggregate Commitment”) solely for the purpose of providing a portion of the financing for the transactions contemplated by the Merger Agreement, including (i) the acceptance for payment and payment by the Offeror of the Offer Price for all Company Shares validly tendered and not properly withdrawn pursuant to the Offer (the “Offer Amount”), (ii) the payment of all amounts due under the Merger Agreement in connection with the Merger (the “Merger Amount”) and (iii) the fees and expenses related to the transactions contemplated by the Merger Agreement (collectively, the “Equity Commitment”).
The Sponsor’s funding obligations under the Equity Commitment Letter are subject to: (a) the execution and delivery by Rosetta Stone, Parent and the Offeror of the Merger Agreement and (b) the satisfaction in full or waiver by Parent or the Offeror (with the Sponsor’s prior written consent) of each of the conditions to Parent’s and the Offeror’s respective obligations contained in the Merger Agreement to consummate the Offer (other than those conditions that by their nature are to be satisfied at the Expiration Time, but subject to such conditions being able to be satisfied).

The funding obligations under the Equity Commitment Letter with respect to the Equity Commitment will terminate automatically and immediately upon the earliest to occur of:

- the Closing, so long as the Aggregate Commitment has been fully funded in accordance with the terms of the Equity Commitment Letter;
- the valid termination of the Merger Agreement pursuant to its terms; and
- Rosetta Stone or any of its officers, directors, employees, agents or representatives asserting or filing any legal proceeding (of any kind or nature, whether in law or in equity) against Parent or any of Parent’s affiliates with respect to the Merger Agreement or any transaction contemplated thereby, other than (i) Rosetta Stone’s right, prior to termination of the Merger Agreement, to specific performance against Parent and/or the Offeror (subject to the terms and limitations set forth with respect to the parties’ specific performance rights under the Merger Agreement); (ii) Rosetta Stone’s right, prior to the termination of the Merger Agreement, as a third-party beneficiary under the Equity Commitment Letter (subject to the terms and limitations therein); or (iii) Rosetta Stone’s right to bring any claim under the Merger Agreement, the Limited Guaranty, the Confidentiality Agreement or that certain Clean Team Agreement, entered into as of March 20, 2020, by and between Parent and Rosetta Stone (in each case, subject to the terms and limitations therein).

This summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Equity Commitment Letter, a copy of which has been filed as Exhibit (d)(2) to the Schedule TO and which is incorporated herein by reference.

13. Conditions of the Offer

Capitalized terms used in this Section 13—“Conditions of the Offer,” but not defined herein have the respective meanings given to them in the Merger Agreement.

Notwithstanding any other terms or provisions of the Offer or the Merger Agreement, the Offeror will not be obligated to accept for payment, or, subject to the rules and regulations of the SEC, including Rule 14e-1(c) under the Exchange Act, pay for any Company Shares validly tendered and not withdrawn pursuant to the Offer, and may terminate or amend the Offer in accordance with (and to the extent permitted by) the terms of the Merger Agreement, and may postpone the acceptance of, or payment for, any Company Shares in accordance with (and to the extent permitted by) the terms of the Merger Agreement, unless, immediately prior to the Expiration Time, each of the following conditions is satisfied:

- the number of Company Shares validly tendered (and not properly withdrawn) prior to the expiration of the Offer (but excluding Company Shares tendered pursuant to guaranteed delivery procedures that have not yet been “received” by the “depository,” as such terms are defined by Section 251(h)(6) of the DGCL), together with the Company Shares then owned by the Offeror or its affiliates, constitute at least a majority of the total number of then issued and outstanding Company Shares (the “Minimum Condition”);
- the expiration or termination of any waiting period (and any extensions thereof) applicable to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the “HSR Act”);
• the absence of any law, order or other legal restraint or prohibition entered, enacted, promulgated, enforced or issued by any court other governmental authority that would prohibit, render illegal or enjoin the consummation of the Offer or the Merger;

• the accuracy in all material respects of Rosetta Stone’s representations and warranties contained in Section 3.3(a) and (e) (Capitalization), 3.18 (Authority; Binding Nature of Agreement), 3.19 (No Vote Required), 3.22 (Opinion of Financial Advisor), and 3.23 (Brokers) (the “Specified Representations”) in the Merger Agreement, provided, however, that, for purposes of determining the accuracy of such representations and warranties, all Material Adverse Effect qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded (the “Specified Representations Condition”);

• the accuracy in all respects of Rosetta Stone’s representations and warranties (other than the Specified Representations) in the Merger Agreement, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, has not had a Material Adverse Effect; provided, however, that, for purposes of determining the accuracy of such representations and warranties, all Material Adverse Effect qualifications and other materiality qualifications contained in such representations and warranties shall be disregarded (the “Representations Condition”);

• Rosetta Stone’s performance, in all material respects, of its covenants contained in the Merger Agreement and required to be performed by it at or prior to the Expiration Time (the “Covenants Condition”);

• since the date of the Merger Agreement, there shall not have occurred any Material Adverse Effect (the “MAE Condition”);

• no order preventing, enjoining, restraining, prohibiting or making illegal the consummation of the Merger or the other transactions contemplated in the Merger Agreement shall have been issued, enacted, promulgated, enforced or entered by any governmental entity of competent jurisdiction and remain in effect, and there shall not be any legal requirement issued, enacted, promulgated, enforced or entered that makes consummation of the Merger or the other transactions contemplated in the Merger Agreement illegal or prevents, enjoins, restrains or prohibits the consummation of the Merger or the other transactions contemplated in the Merger Agreement;

• the receipt by Parent and the Offeror of a certificate of an executive officer of Rosetta Stone as to the satisfaction of the Specified Representations Conditions, the Representations Conditions, the Covenants Condition and the MAE Condition; and

• the Merger Agreement not having been terminated in accordance with its terms (the “Termination Condition”).

The foregoing conditions are for the sole benefit of Parent and the Offeror and, other than the Minimum Condition and the Termination Condition, may be waived by Parent and the Offeror in whole or in part at any time and from time to time at or prior to the Expiration Time in their respective discretion, in each case subject to the terms and conditions of the Merger Agreement and to the extent permitted by applicable law. The failure by Parent, the Offeror or any other affiliate of Parent at any time to exercise any of the foregoing rights will not be deemed a waiver of any such right, the waiver of any such right with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances and each such right will be deemed an ongoing right that may be asserted at any time and from time to time. If we waive a material Offer Condition, we will disseminate additional tender offer materials and extend the Offer, in each case, if and to the extent required by Rules 14d-4(d)(1), 14d-6(c) and 14e-1 under the Exchange Act.

14. Dividends and Distributions

According to Rosetta Stone’s publicly available documents, Rosetta Stone has never paid a dividend since becoming a public company. Under the terms of the Merger Agreement, between the date of the Merger
15. Certain Legal Matters; Regulatory Approvals

General. Except as otherwise set forth in this Offer to Purchase, based on Parent’s and the Offeror’s review of publicly available filings by Rosetta Stone with the SEC and other information regarding Rosetta Stone, Parent and the Offeror are not aware of any licenses or other regulatory permits which appear to be material to the business of Rosetta Stone and which might be adversely affected by the acquisition of Company Shares by the Offeror or Parent pursuant to the Offer or of any approval or other action by any governmental, administrative or regulatory agency or authority which would be required for the acquisition or ownership of Company Shares by the Offeror, or Parent pursuant to the Offer. In addition, except as set forth below, Parent and the Offeror are not aware of any filings, approvals or other actions by or with any governmental authority or administrative or regulatory agency that would be required for Parent’s and the Offeror’s acquisition or ownership of the Company Shares. Should any such approval or other action be required, Parent and the Offeror currently expect that such approval or action, except as described below under “—State Takeover Laws,” would be sought or taken. There can be no assurance that any such approval or action, if needed, would be obtained or, if obtained, that it will be obtained without substantial conditions. In such an event, we may not be required to purchase any Company Shares in the Offer. See Section 11— “Purpose of the Offer and Plans for Rosetta Stone; Transaction Documents—The Merger Agreement—Covenants.”

Legal Proceedings. No lawsuits arising out of or relating to the Offer, the Merger or other associated transactions have been filed as of the date of this Offer to Purchase; however, such lawsuits may be filed in the future.

Antitrust Compliance. Under the HSR Act, and the related rules and regulations that have been issued by the FTC, certain transactions having a value above specified thresholds may not be consummated until specified information and documentary material (“Premerger Notification and Report Forms”) have been furnished to the FTC and the Antitrust Division of the Department of Justice (the “Antitrust Division”) and certain waiting period requirements have been satisfied.

It is a condition to the Offeror’s obligation to accept for payment and pay for Company Shares tendered pursuant to the Offer that the waiting period (and any extensions of the waiting period) applicable to the Offer under the HSR Act will have expired or been terminated. Under the HSR Act, the purchase of Company Shares in the Offer may not be completed until the expiration of a 15 calendar day waiting period following the filing by the ultimate parent entities of Parent of a Premerger Notification and Report Form concerning the Offer with the FTC and the Antitrust Division, unless the waiting period is earlier terminated by the reviewing agency. If within the 15 calendar day waiting period either the FTC or the Antitrust Division were to issue a request for additional information and documentary material (a “Second Request”), the waiting period with respect to the Transactions would be extended until 10 calendar days following the date of substantial compliance by Parent with that request, unless the reviewing agency terminated the additional waiting period before its expiration. The 10 calendar day waiting period can be extended with the consent of Parent. If either the 15-day or 10-day waiting period expires on a Saturday, Sunday or federal holiday, then such waiting period will be extended until one minute after 11:59 p.m. of the next day that is not a Saturday, Sunday or federal holiday. Only one extension of the waiting period pursuant to a Second Request is authorized by the HSR Act. After that time, the waiting period may be extended only by court order or with consent of Parent. The reviewing agency may terminate the additional 10-day waiting period before its expiration. In practice, complying with a Second Request can take a significant period of time. If the HSR Act waiting period expired or was terminated, completion of the Merger
would not require an additional filing under the HSR Act if the Offeror owns 50% or more of the outstanding Company Shares at the time of the Merger or if the Merger occurs within one year after the HSR Act waiting period applicable to the Transactions expired or was terminated.

The FTC and the Antitrust Division may scrutinize the legality under U.S. federal antitrust laws of transactions such as the Offeror’s proposed acquisition of Rosetta Stone. At any time before or after the Offeror’s acceptance for payment of Company Shares pursuant to the Offer, if the Antitrust Division or the FTC believes that the Offer would violate the U.S. federal antitrust laws by substantially lessening competition in any line of commerce affecting U.S. consumers, the FTC and the Antitrust Division have the authority to challenge the Transactions by seeking a federal court order enjoining the Transactions or, if Company Shares have already been acquired, requiring disposition of those Company Shares, or the divestiture of substantial assets of the Offeror, Rosetta Stone, or any of their respective subsidiaries or affiliates, or seeking other conduct relief. At any time before or after consummation of the Transactions, notwithstanding the early termination of the applicable waiting period under the HSR Act, U.S. state attorneys general and private persons may also bring legal action under the antitrust laws seeking similar relief or seeking conditions to the completion of the Offer. There can be no assurance that a challenge to the Offer on antitrust grounds will not be made or, if a challenge is made, what the result will be. If any such action is threatened or commenced by the FTC, the Antitrust Division or any state or any other person, the Offeror may not be obligated to consummate the Offer or the Merger. See Section 13—“Conditions of the Offer.”


State Takeover Laws. Rosetta Stone is incorporated under the laws of the State of Delaware and would be subject to Section 203 of the DGCL (“Section 203”) unless it had effectively opted out in accordance with Section 203(b) of the DGCL. In general, Section 203 prevents a Delaware corporation from engaging in a “business combination” (defined to include mergers and certain other actions) with an “interested stockholder” (including a person who owns or has the right to acquire 15% or more of a corporation’s outstanding voting stock) for a period of three years following the date such person became an “interested stockholder” unless, among other things, the “business combination” is approved by the board of directors of such corporation before such person became an “interested stockholder.” Rosetta Stone has represented to us in the Merger Agreement that it has expressly elected not to be governed by Section 203 and that the restrictions set forth therein are inapplicable to Rosetta Stone, the Merger Agreement and the transactions contemplated therein. Moreover, the Rosetta Stone Board approved the Merger Agreement and the transactions contemplated therein, and the restrictions on “business combinations” described in Section 203 are therefore inapplicable to the Merger Agreement and the transactions contemplated therein.

A number of states have adopted laws and regulations applicable to attempts to acquire securities of corporations that are incorporated, or have substantial assets, stockholders, principal executive offices or principal places of business, or whose business operations otherwise have substantial economic effects, in such states. In 1982, in Edgar v. MITE Corp., the Supreme Court of the United States invalidated on constitutional grounds the Illinois Business Takeover Statute which, as a matter of state securities law, made takeovers of corporations meeting certain requirements more difficult. However, in 1987, in CTS Corp. v. Dynamics Corp. of America, the Supreme Court held that the State of Indiana could, as a matter of corporate law, constitutionally disqualify a potential acquirer from voting shares of a target corporation without the prior approval of the remaining stockholders where, among other things, the corporation is incorporated, and has a substantial number of stockholders, in the state. Subsequently, in TLX Acquisition Corp. v. Telex Corp., a U.S. federal district court in Oklahoma ruled that the Oklahoma statutes were unconstitutional as applied to corporations incorporated outside Oklahoma in that they would subject such corporations to inconsistent regulations. Similarly, in Tyson Foods, Inc. v. McReynolds, a U.S. federal district court in Tennessee ruled that four Tennessee takeover statutes were unconstitutional as applied to corporations incorporated outside Tennessee. This decision was affirmed by the United States Court of Appeals for the Sixth Circuit. In December 1988, a U.S. federal district court in Florida held in Grand
that the provisions of the Florida Affiliated Transactions Act and the Florida Control Share Acquisition Act were unconstitutional as applied to corporations incorporated outside of Florida.

Rosetta Stone conducts business in a number of states throughout the United States and in a number of foreign jurisdictions, some of which have enacted takeover laws. We do not know whether any of these laws will, by their terms, apply to the Offer or the Merger and have not attempted to comply with any such laws. Should any person seek to apply any state takeover law, we will take such action as then appears desirable, which may include challenging the validity or applicability of any such statute in appropriate court proceedings. In the event any person asserts that the takeover laws of any state are applicable to the Offer or the Merger, and an appropriate court does not determine that it is inapplicable or invalid as applied to the Offer or the Merger, we may be required to file certain information with, or receive approvals from, the relevant state authorities. In addition, if enjoined, we may be unable to accept for payment any Company Shares tendered pursuant to the Offer, or be delayed in continuing or consummating the Offer and the Merger. In such case, we may not be obligated to accept for payment any Company Shares tendered in the Offer. See Section 13—“Conditions of the Offer.”


No appraisal rights are available to the holders of Company Shares in connection with the Offer. However, if the Merger takes place pursuant to Section 251(h) of the DGCL, stockholders who have not tendered their Company Shares pursuant to the Offer and who comply with the applicable legal requirements will have appraisal rights under Section 262 of the DGCL. If you choose to exercise your appraisal rights in connection with the Merger and you comply with the applicable legal requirements under the DGCL and do not properly withdraw your appraisal demand or otherwise lose your rights to appraisal under Section 262 of the DGCL, you will be entitled to payment in cash in an amount equal to the “fair value” of your Company Shares (exclusive of any element of value arising from the accomplishment or expectation of the Merger) as determined by the Delaware Court of Chancery, together with interest, if any, to be paid upon the amount determined to be the fair value. This value may be the same, more or less than the price that the Offeror is offering to pay you in the Offer and the Merger. Moreover, the Surviving Corporation may argue in an appraisal proceeding that, for purposes of such a proceeding, the fair value of such Company Shares is less than the price paid in the Offer and the Merger.

Under Section 262 of the DGCL, where a merger is approved under Section 251(h) of the DGCL, either a constituent corporation before the effective date of the merger, or the Surviving Corporation within 10 days thereafter, will notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and will include in such notice a copy of Section 262. The Schedule 14D-9 constitutes the formal notice of appraisal rights under Section 262 of the DGCL. Any holder of Company Shares who wishes to exercise such appraisal rights or who wishes to preserve his, her or its right to do so, should review the discussion of appraisal rights in the Schedule 14D-9, attached as Annex B to the Schedule 14D-9, carefully because failure to timely and properly comply with the procedures specified may result in the loss of appraisal rights under the DGCL.

Any stockholder wishing to exercise appraisal rights is urged to consult legal counsel before attempting to exercise such rights.

As described more fully in the Schedule 14D-9, if a stockholder elects to exercise appraisal rights under Section 262 of the DGCL with respect to Company Shares held immediately prior to the Effective Time, such stockholder must do all of the following:

- within the later of (i) the consummation of the Offer, which will occur on the date on which the Offeror irrevocably accepts for purchase the Company Shares validly tendered in the Offer, and (ii) twenty days after the date of mailing of the notice of appraisal rights in the Schedule 14D-9 (which date of
mailing is September 15, 2020), deliver to Rosetta Stone at the address indicated in the Schedule 14D-9, a demand in writing for appraisal of such Company Shares, which demand must reasonably inform Rosetta Stone of the identity of the stockholder and that the stockholder is demanding appraisal for such Company Shares;

• not tender such Company Shares in the Offer; and

• continuously hold of record such Company Shares from the date on which the written demand for appraisal is made through the Effective Time.

The foregoing summary of the rights of Rosetta Stone’s stockholders to seek appraisal rights under Delaware law does not purport to be a complete statement of the procedures to be followed by stockholders desiring to exercise appraisal rights and is qualified in its entirety by reference to Section 262 of the DGCL. The preservation and proper exercise of appraisal rights requires strict adherence to the applicable provisions of the DGCL. Failure to fully and precisely follow the steps required by Section 262 of the DGCL for the perfection of appraisal rights may result in the loss of those rights. A copy of Section 262 of the DGCL is included as Annex B to the Schedule 14D-9.

You will not be entitled to appraisal rights unless the Merger is completed. The information provided above is for informational purposes only with respect to your alternatives if the Merger is completed. If you tender your shares in the Offer, you will not be entitled to exercise appraisal rights with respect to your shares but, instead, upon the terms and subject to the conditions to the Offer, you will receive the Offer Price for your Company Shares.

17. Fees and Expenses

Except as explicitly provided otherwise in the Merger Agreement, whether or not the Transactions are consummated, all expenses will be paid by the party incurring those expenses.

Notwithstanding the foregoing, the Offeror has retained the Depositary and Paying Agent and the Information Agent in connection with the Offer. Each of the Depositary and Paying Agent and the Information Agent will receive customary compensation, reimbursement for out-of-pocket expenses, and indemnification against certain liabilities in connection with the Offer, including liabilities under the federal securities laws.

As part of the services included in such retention, the Information Agent may contact holders of Company Shares by personal interview, mail, electronic mail, telephone and other methods of electronic communication and may request brokers, dealers, commercial banks, trust companies and other nominees to forward the Offer materials to beneficial holders of Company Shares.

Except as set forth above, neither Parent nor the Offeror will pay any fees or commissions to any broker, dealer, commercial bank, trust company or other nominee for soliciting tenders of Company Shares pursuant to the Offer. Brokers, dealers, commercial banks, trust companies or other nominees will upon request be reimbursed by the Offeror, upon request, for customary mailing and handling expenses incurred by them in forwarding the offering material to their clients.

18. Miscellaneous

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Company Shares in any U.S. state in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such state. However, the Offeror may, in its discretion, take such action as it may deem necessary to make the Offer in any such U.S. state and extend the Offer to holders of Company Shares in such state.
Parent and the Offeror have filed with the SEC the Schedule TO (including exhibits) in accordance with the Exchange Act, furnishing certain additional information with respect to the Offer and may file amendments thereto. The Schedule TO and any amendments thereto, including exhibits, may be examined and copies may be obtained from the SEC in the manner set forth in Section 8—“Certain Information Concerning Rosetta Stone—Additional Information.”

No person has been authorized to give any information or make any representation on behalf of Parent or the Offeror not contained in this Offer to Purchase or in the Letter of Transmittal and, if given or made, that information or representation must not be relied upon as having been authorized. Neither delivery of this Offer to Purchase nor any purchase pursuant to the Offer will, under any circumstances, create any implication that there has been no change in the affairs of Parent, the Offeror, Rosetta Stone or any of their respective subsidiaries since the date as of which information is furnished or the date of this Offer to Purchase.

Empower Merger Sub Inc.

September 15, 2020
## SCHEDULE A

### DIRECTORS AND EXECUTIVE OFFICERS OF
THE OFFEROR, PARENT AND CERTAIN RELATED PERSONS

#### 1. The Offeror

The Offeror, a Delaware corporation, was formed on August 28, 2020, solely for the purpose of completing the proposed Offer and Merger and has conducted no business activities other than those related to the structuring and negotiation of the Offer and the Merger and arranging financing therefor. The Offeror is a direct, wholly-owned subsidiary of Parent and has not engaged in any business except as contemplated by the Merger Agreement. The principal office address of Parent is 17855 Dallas Parkway, Suite 400, Dallas, Texas 75287. The telephone number at the principal office is (214) 932-9326.

### Directors and Executive Officers of the Offeror

The name, position, business address, citizenship, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of the Offeror are set forth below. The principal office address of each such director and executive officer is 9 West 57th Street, 32nd Floor, New York, New York 10019. The telephone number at the principal office is (212) 415-6700. All directors and executive officers listed below are citizens of the United States.

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Present Principal Occupation or Employment and Employment History</th>
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<tbody>
<tr>
<td>Ramzi Musallam</td>
<td>Mr. Musallam is the CEO and Managing Partner of Veritas as well as a Founding Member of Veritas’s first institutional fund raised in 1998. Previously he worked at Pritzker &amp; Pritzker, the private equity group then led by Jay Pritzker and prior to that at Berkshire Partners, a Boston-based private equity firm. Mr. Musallam began his career at J.P. Morgan in the Structured Finance Division. Mr. Musallam holds a B.A., cum laude, in Mathematical Economics from Colgate University and an M.B.A., with High Honors, from the University of Chicago Booth School of Business.</td>
</tr>
<tr>
<td>Benjamin Polk</td>
<td>Mr. Polk is a Partner at Veritas and a member of the firm’s executive leadership. Prior to Veritas, Mr. Polk was a Senior Partner with the law firm of Schulte Roth &amp; Zabel LLP where his practice focused on the areas of mergers &amp; acquisitions, leveraged buyouts, corporate finance, corporate governance and securities regulation, with special focus on private equity. During his legal career, Mr. Polk worked with Veritas on virtually every major transaction Veritas had been involved in since its founding. Mr. Polk holds a B.A., with High Honors, from Hobart College and a J.D. from Cornell Law School.</td>
</tr>
<tr>
<td>Daniel H. Sugar</td>
<td>Mr. Sugar is a Partner at Veritas. Prior to Veritas, Mr. Sugar worked for the restructuring investment bank Miller Buckfire &amp; Co. There, he advised corporations across a wide variety of industries including healthcare, industrials, telecom and retail on restructuring, bankruptcy, financing and M&amp;A transactions. Mr. Sugar holds a B.S.E. in Operations Research and Financial Engineering from Princeton University and an M.B.A. from The Wharton School at the University of Pennsylvania.</td>
</tr>
<tr>
<td>John Campbell</td>
<td>Mr. Campbell is the President and Chief Executive Officer of Cambium Learning Group. Mr. Campbell served in the positions of Senior Vice President and the President of the CLT business unit, Senior</td>
</tr>
</tbody>
</table>

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Barbara Benson  
**Treasurer and Chief Financial Officer**

Ms. Benson is the Treasurer and Chief Financial Officer of Cambium Learning Group. She serves as a senior finance executive providing insight, direction, guidance and overall financial perspectives to help companies achieve their financial and strategic objectives. Prior to becoming the CFO, Ms. Benson served as the company’s Controller and Principal Accounting Officer. She also worked at Voyager, as Controller of the Voyager Expanded Learning operating unit and served as Controller and Principal Accounting Officer. Prior to joining Voyager, Ms. Benson held positions at Pegasus Solutions, Inc., a hotel technology provider of reservation, distribution, financial, and representation services, including Controller and Director of Financial Accounting and Reporting. Ms. Benson is a licensed Certified Public Accountant.

Scott McWhorter  
**Secretary and General Counsel**

Mr. McWhorter is the General Counsel and Secretary at Cambium Learning Group. Prior to joining Cambium, Mr. McWhorter was Head-Legal at SoftLayer Technologies, Inc. Mr. McWhorter received a graduate degree from SMU Dedman School of Law.

2. Parent

Parent, a Delaware corporation, was formed on October 5, 2018 in connection with the acquisition of Cambium Learning Group, Inc. Parent is a portfolio company of the Sponsor. Parent believes every student has great potential, teachers are mission-critical, and data, instruction and practice work together to drive performance. With a portfolio of award-winning brands, Cambium Learning Group’s digital and blended curriculum, professional learning, and assessment solutions drive proficiency, equity, and other learning outcomes in classrooms everywhere. Parent’s brands include Learning A-Z® (online differentiated instruction for elementary school reading, writing and science), ExploreLearning® (online interactive math and science simulations, a math fact fluency solution, and a K-2 science solution), Voyager Sopris Learning® (blended solutions that accelerate struggling learners to achieve in literacy and math and professional learning for teachers), Cambium Assessment (innovative state- and district-level assessment solutions), and VKidz® Learning (online PreK-12 homeschool curriculum and programs for literacy and math). The principal office address of Parent is 17855 Dallas Parkway, Suite 400, Dallas, Texas 75287. The telephone number at the principal office is (214) 932-9326.
### Directors and Executive Officers of Parent

The name, position, business address, citizenship, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of each of the directors and executive officers of Parent are set forth below. The principal office address of each such director and executive officer is 9 West 57th Street, 32nd Floor, New York, New York 10019. The telephone number at the principal office is (212) 415-6700. All directors and executive officers listed below are citizens of the United States.

<table>
<thead>
<tr>
<th>Name and Position</th>
<th>Present Principal Occupation or Employment and Employment History</th>
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<tbody>
<tr>
<td>Ramzi Musallam</td>
<td>See above.</td>
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<tr>
<td>Daniel H. Sugar</td>
<td>See above.</td>
</tr>
<tr>
<td>Alice Li</td>
<td>Ms. Li is a Vice President at Veritas. Prior to Veritas, Ms. Li was an Associate at Crestview Partners, where she focused on investments in financial services, energy, media, and industrials. Previously, she was an investment banking Analyst at Morgan Stanley in the Financial Institutions Group. Ms. Li holds a B.S., summa cum laude, in Finance from New York University and an M.B.A., with Distinction, from Harvard Business School.</td>
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<tr>
<td>Margery Mayer</td>
<td>Ms. Mayer is an independent director of Cambium Learning Group. Ms. Mayer formerly served as Houghton Mifflin Harcourt’s (HMH) previous Executive Vice President of Intervention Solutions. In that role, she led HMH’s efforts to offer an unparalleled set of proven-effective intensive intervention programs. Prior to joining HMH, Ms. Mayer worked with Scholastic as the company’s President of Scholastic Educational International and Executive Vice President of Scholastic Corporation. During her tenure and Scholastic and HMH, she led the development of intervention programs such as READ 180, System 44, and MATH 180. In 2012, she was inducted into the Association of Educational Publishing Hall of Fame and serves on the board of Public Prep Charter Schools in New York City.</td>
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<tr>
<td>Adam Freed</td>
<td>Mr. Freed is an independent director of Cambium Learning Group. Mr. Freed is an experienced, multilingual, and generally affable technology leader who is currently Chair of the Board of Teachers Pay Teachers (TpT). For more than four years, Mr. Freed led TpT as its Chief Executive Officer. Prior to joining TpT, Mr. Freed served as the Chief Operating Officer of Etsy, the world’s largest marketplace for handmade goods. Mr. Freed currently serves as a Trustee and former Co-Chair of the Board of Trustees of the Brooklyn Children’s Museum. He also serves on the board of technology start-up Table 22 and formerly served on the board of online grocer Good Eggs.</td>
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<td>John Campbell</td>
<td>See above.</td>
</tr>
<tr>
<td>Barbara Benson</td>
<td>See above.</td>
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<tr>
<td>Scott McWhorter</td>
<td>See above.</td>
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</table>
### Controlling Person of The Veritas Capital Fund VI L.P.

Veritas Capital Partners VI, LLC is the general partner of The Veritas Capital Fund VI L.P (“Sponsor”). The name, position, business address, citizenship, present principal occupation or employment and material occupations, positions, offices or employment for the past five years of the controlling person of Sponsor is set forth below. The principal office address of the general partners and the controlling person is 9 West 57th Street, 32nd Floor, New York, New York 10019. The telephone number at the principal office is (212) 415-6700. The controlling person listed below is a citizen of the United States.

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</table>
| Ramzi Musallam    | Chief Executive Officer and Managing Partner  
See above. |

The Depositary and Paying Agent for the Offer is:

**Broadridge Corporate Issuer Solutions, Inc.**

*If delivering by mail:*

- Broadridge Corporate Issuer Solutions, Inc.
  - Attn: BCIS Re-Organization Dept.
  - P.O. Box 1317
  - Brentwood, NY 11717-0718

*If delivering by express mail, courier or any other expedited service:*

- Broadridge Corporate Issuer Solutions, Inc.
  - Attn: BCIS IWS
  - 51 Mercedes Way
  - Edgewood, NY 11717
The Information Agent for the Offer is:

Okapi Partners LLC
1212 Avenue of the Americas, 24th Floor
New York, NY 10036

Banks and Brokerage Firms, Please Call: (212) 297-0720
Stockholders and All Others Call Toll-Free: (855) 208-8901

Email: info@okapipartners.com
LETTER OF TRANSMITTAL

to Tender Shares of Common Stock

of

ROSETTA STONE INC.

at

$30.00 NET PER SHARE

Pursuant to the Offer to Purchase dated September 15, 2020

by

EMPOWER MERGER SUB INC.

a wholly owned subsidiary of

CAMBIUM HOLDING CORP.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON

OCTOBER 13, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The Depositary and Paying Agent for the Offer Is:

Broadridge Corporate Issuer Solutions, Inc.

If delivering by mail:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS Re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718

If delivering by express mail, courier or any other expedited service:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS IWS
51 Mercedes Way
Edgewood, NY 11717

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.
**DESCRIPTION OF COMPANY SHARES SURRENDERED**

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<th>Name(s) and Address(es) of Registered Holder(s) (Please fill in, if blank, exactly as name(s) appear(s) on certificate(s)) (Attach additional signed list if necessary)</th>
<th>Certificate Number(s)*</th>
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You have received this Letter of Transmittal in connection with the cash tender offer by Empower Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation, which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership, to purchase all of the issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), at a purchase price of $30.00 per share net to the holder thereof in cash, net of applicable withholding taxes and without interest, as described in the Offer to Purchase, dated September 15, 2020.

You should use this Letter of Transmittal to deliver to Broadridge Corporate Issuer Solutions, Inc. (the “Depositary and Paying Agent”) Company Shares represented by stock certificates or shares represented by direct registration system for tender. If you are delivering your Company Shares by book-entry transfer to an account maintained by the Depositary and Paying Agent at The Depository Trust Company (“DTC”), you may use this Letter of Transmittal or you may use an Agent’s Message (as defined in Instruction 2 below). In this document, stockholders who deliver certificates representing their Company Shares are referred to as “Certificate Stockholders.” Stockholders who deliver their Company Shares through book-entry transfer are referred to as “Book-Entry Stockholders.”

If certificates for your Company Shares are not immediately available or you cannot deliver your certificates and all other required documents to the Depositary and Paying Agent on or prior to the Expiration Date (as defined in “The Tender Offer—Section 1—Terms of the Offer” of the Offer to Purchase), or you cannot comply with the book-entry transfer procedures on a timely basis, you may nevertheless tender your Company Shares according to the guaranteed delivery procedures set forth in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase. See Instruction 2. Delivery of documents to DTC will not constitute delivery to the Depositary and Paying Agent.

CORPORATE ACTIONS VOLUNTARY COY BKS
☐ CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE ACCOUNT MAINTAINED BY THE DEPOSITARY AND PAYING AGENT WITH DTC AND COMPLETE THE FOLLOWING (ONLY FINANCIAL INSTITUTIONS THAT ARE PARTICIPANTS IN DTC MAY DELIVER SHARES BY BOOK-ENTRY TRANSFER):

Name of Tendering Institution: ____________________________________________
DTC Participant Number: ________________________________________________
Transaction Code Number: _______________________________________________

☐ CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED PURSUANT TO A NOTICE OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND PAYING AGENT AND COMPLETE THE FOLLOWING. PLEASE ENCLOSE A PHOTOCOPY OF SUCH NOTICE OF GUARANTEED DELIVERY.

Name(s) of Registered Owner(s): _________________________________________
Date of Execution of Notice of Guaranteed Delivery: __________________________
Name of Institution which Guaranteed Delivery: _____________________________
If delivery is by book-entry transfer:
Name of Tendering Institution: ____________________________________________
DTC Participant Number: ________________________________________________
Transaction Code Number: _______________________________________________
Ladies and Gentlemen:

The undersigned hereby tenders to Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership, the above-described shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), pursuant to the Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), at a price of $30.00 per share, net to the holder thereof in cash, net of applicable withholding taxes and without interest, on the terms and subject to the conditions set forth in the Offer to Purchase, receipt of which is hereby acknowledged, and this Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time as permitted therein, collectively constitute the “Offer”).

On the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of such extension or amendment), subject to, and effective upon, acceptance for payment of the Company Shares validly tendered herewith and not validly withdrawn in accordance with the terms of the Offer, the undersigned hereby sells, assigns and transfers to, or upon the order of, the Offeror, all right, title and interest in and to all of the Company Shares being tendered hereby and any and all cash dividends, distributions, rights, other Company Shares or other securities issued or issuable in respect of such Company Shares on or after the date of acceptance of the tendered shares by the Offeror (other than those with a record date prior to such date) (collectively, “Distributions”). In addition, by executing and delivering this Letter of Transmittal (or taking action resulting in the delivery of an Agent’s Message), the undersigned hereby irrevocably appoints Depositary and Paying Agent the true and lawful agent and attorney-in-fact and proxy of the undersigned with respect to such Company Shares and any Distributions with full power of substitution and re-substitution (such proxy and power of attorney being deemed to be an irrevocable power coupled with an interest in the Company Shares tendered by this Letter of Transmittal) to the fullest extent of such stockholder’s rights with respect to such Company Shares and any Distributions with full power of substitution and re-substitution (such proxy and power of attorney being deemed to be an irrevocable power coupled with an interest in the Company Shares tendered by this Letter of Transmittal) to the fullest extent of such stockholder’s rights with respect to such Company Shares and any Distributions (a) to deliver certificates representing Company Shares (the “Share Certificates”) and any Distributions, or transfer ownership of such Company Shares and any Distributions on the account books maintained by DTC, together, in either such case, with all accompanying evidence of transfer and authenticity, to or upon the order of, the Offeror, (b) to present such Company Shares and any Distributions for transfer on the books of Rosetta Stone and (c) to receive all benefits and otherwise exercise all rights of beneficial ownership of such Company Shares and any Distributions, all in accordance with the terms and subject to the conditions of the Offer.

By executing and delivering this Letter of Transmittal (or taking action resulting in the delivery of an Agent’s Message), the undersigned hereby irrevocably appoints each of the Offeror, its officers and any other designees of the Offeror the true and lawful agents and attorneys-in-fact and proxies of the undersigned, each with full power of substitution and re-substitution, to the full extent of such stockholder’s rights with respect to the Company Shares tendered hereby which have been accepted for payment and with respect to any Distributions. Each of the Offeror, its officers and any other designees of the Offeror will, with respect to the Company Shares and any associated Distributions for which the appointment is effective, be empowered to exercise all voting and any other rights of such stockholder, as they, in their sole discretion, may deem proper at any annual, special, adjourned or postponed meeting of Rosetta Stone’s stockholders, by written consent in lieu of any such meeting or otherwise. This proxy and power of attorney shall be irrevocable and coupled with an interest in the tendered Company Shares. Such appointment is effective when, and only to the extent that, the Offeror accepts the Company Shares tendered with this Letter of Transmittal for payment pursuant to the Offer. Upon the effectiveness of such appointment, without further action, all prior powers of attorney, proxies and consents given by the undersigned with respect to such Company Shares and any associated Distributions will be revoked and no subsequent powers of attorney, proxies, consents or revocations may be given (and, if given, will not be deemed effective). The Offeror reserves the right to require that, in order for Company Shares to be deemed validly tendered, immediately upon the Offeror’s acceptance for payment of such Company Shares, the Offeror must be able to exercise full voting, consent and other rights, to the extent permitted under applicable law, with
The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Company Shares tendered hereby and any Distributions and, when the same are accepted for payment by the Offeror, the Offeror will acquire good, marketable and unencumbered title thereto, free and clear of all liens, restrictions, charges and encumbrances, and that the same will not be subject to any adverse claim. The undersigned hereby represents and warrants that the undersigned is the registered owner of the Company Shares or the Share Certificate(s) have been endorsed to the undersigned in blank or the undersigned is a participant in DTC whose name appears on a security position listing participant as the owner of the Company Shares. The undersigned will, upon request, execute and deliver any additional documents deemed by the Depositary and Paying Agent or the Offeror to be necessary or desirable to complete the sale, assignment and transfer of the Company Shares tendered hereby and any Distributions. In addition, the undersigned shall promptly remit and transfer to the Depositary and Paying Agent for the account of the Offeror any and all Distributions in respect of the Company Shares tendered hereby, accompanied by appropriate documentation of transfer and, pending such remittance or appropriate assurance thereof, the Offeror shall be entitled to all rights and privileges as owner of any such Distributions and may withhold the entire purchase price or deduct from the purchase price the amount or value thereof, as determined by the Offeror in its sole discretion.

It is understood that the undersigned will not receive payment for the Company Shares unless and until the Company Shares are accepted for payment and until the Share Certificate(s) owned by the undersigned are received by the Depositary and Paying Agent at the address set forth above, together with such additional documents as the Depositary and Paying Agent may require, or, in the case of Company Shares held in book-entry form, ownership of Company Shares is validly transferred on the account books maintained by DTC, and until the same are processed for payment by the Depositary and Paying Agent. It is understood that the method of delivery of the Company Shares, the Share Certificate(s) and all other required documents (including delivery through DTC) is at the option and risk of the undersigned and that the risk of loss of such Company Shares, Share Certificate(s) and other documents shall pass only after the Depositary and Paying Agent has actually received the Company Shares or Share Certificate(s) (including, in the case of a book-entry transfer, by Book-Entry Confirmation (as defined below)).

All authority conferred or agreed to be conferred pursuant to this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned and any obligation of the undersigned hereunder shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that the acceptance for payment by the Offeror of Company Shares tendered pursuant to one of the procedures described in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase will constitute a binding agreement between the undersigned and the Offeror upon the terms and subject to the conditions of the Offer. The undersigned recognizes that under certain circumstances set forth in the Offer, the Offeror may not be required to accept for payment any Company Shares tendered hereby.

Unless otherwise indicated herein under “Special Payment Instructions,” please issue the check for the purchase price in the name(s) of, and/or return any Share Certificates representing Company Shares not tendered or accepted for payment to, the registered owner(s) appearing under “Description of Company Shares Tendered.” Similarly, unless otherwise indicated under “Special Delivery Instructions,” please mail the check for the purchase price and/or return any Share Certificates representing Company Shares not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered owner(s) appearing under “Description of Company Shares Tendered.” In the event that both the “Special Delivery Instructions” and the “Special Payment Instructions” are completed, please issue the check for the purchase price and/or issue or return any Share Certificates representing Company Shares not tendered or accepted for payment (and any accompanying documents, as appropriate) in the name of, and deliver such check and/or return such Share Certificates (and any accompanying documents, as appropriate) to, the person or persons so indicated. Unless
otherwise indicated herein in the box titled “Special Payment Instructions,” please credit any Company Shares tendered hereby or by an Agent’s Message and delivered by book-entry transfer, but which are not purchased, by crediting the account at DTC designated above. The undersigned recognizes that the Offeror has no obligation pursuant to the Special Payment Instructions to transfer any Company Shares from the name of the registered owner thereof if the Offeror does not accept for payment any of the Company Shares so tendered.

| SPECIAL PAYMENT INSTRUCTIONS  
(See Instructions 1, 5, 6 and 7) |
<table>
<thead>
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<th></th>
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<tbody>
<tr>
<td>To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Company Shares accepted for payment are to be issued in the name of someone other than the undersigned.</td>
</tr>
</tbody>
</table>

Issue to: ☐ Check ☐ Certificate
Name: ____________________________
(Please Print)
Address: __________________________________________________________
_________________________________________________________
(Include Zip Code)

| SPECIAL DELIVERY INSTRUCTIONS  
(See Instructions 1, 5, 6 and 7) |
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>To be completed ONLY if Share Certificate(s) not tendered or not accepted for payment and/or the check for the purchase price of Company Shares accepted for payment are to be sent to someone other than the undersigned or to the undersigned at an address other than that shown in the box titled “Description of Company Shares Tendered” above.</td>
</tr>
</tbody>
</table>

Deliver to: ☐ Check ☐ Certificate
Name: ____________________________
(Please Print)
Address: __________________________________________________________
_________________________________________________________
(Include Zip Code)
IMPORTANT—SIGN HERE
(Please also complete the Internal Revenue Service Form W-9 beginning on page 14 or the appropriate Internal Revenue Service Form W-8, as applicable)
(Signature of Stockholder(s))

Sign Here:

Sign Here:

Dated:

(Must be signed by registered owner(s) exactly as name(s) appear(s) on Share Certificate(s) or on a security position listing or by person(s) authorized to become registered owner(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please set forth full title and see Instruction 5. For information concerning signature guarantees, see Instruction 1.)

Name(s):

Capacity (full title):

Address:

Daytime Area Code and Telephone Number:

Taxpayer Identification or Social Security No:

GUARANTEE OF SIGNATURE(S)
(For use by Eligible Institutions only; see Instructions 1 and 5)

Name of Firm:

Address:

Authorized Signature:

Name:

Daytime Area Code and Telephone Number:

Dated:

Place medallion guarantee in space below:
Instructions
Forming part of the terms and conditions of the Offer

1. Guarantee of signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a financial institution (including most commercial banks, savings and loan associations and brokerage houses) that is a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association, Inc., including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”). Signatures on this Letter of Transmittal need not be guaranteed (a) if this Letter of Transmittal is signed by the registered owner(s) (which term, for purposes of this document, includes any participant in DTC whose name appears on a security position listing as the owner of the Company Shares) of Company Shares tendered herewith, owners powers are not signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity and such registered owner has not completed the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” on this Letter of Transmittal or (b) if such Company Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and certificates or book-entry confirmations. This Letter of Transmittal is to be completed by stockholders either if Share Certificates are to be forwarded herewith or, unless an Agent’s Message is utilized, if tenders are to be made pursuant to the procedures for tender by book-entry transfer set forth in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase. For any Eligible Institution, a manually executed facsimile of this document may be used in lieu of the original. Share Certificates representing all physically tendered Company Shares, or confirmation of any book-entry transfer into the Depository and Paying Agent’s account at DTC of Company Shares tendered by book-entry transfer (“Book Entry Confirmation”), as well as this Letter of Transmittal properly completed and duly executed with any required signature guarantees, unless an Agent’s Message in the case of a book-entry transfer is utilized, and any other documents required by this Letter of Transmittal, must be received by the Depository and Paying Agent at one of its addresses set forth herein on or prior to the Expiration Date (as defined in “The Tender Offer—Section 1—Terms of the Offer” of the Offer to Purchase). Please do not send your Share Certificates directly to the Offeror, Parent or Rosetta Stone.

Stockholders whose Share Certificates are not immediately available or who cannot deliver all other required documents to the Depository and Paying Agent on or prior to the Expiration Date or who cannot comply with the procedures for book-entry transfer on a timely basis, may nevertheless tender their Company Shares by properly completing and duly executing a Notice of Guaranteed Delivery pursuant to the guaranteed delivery procedure set forth in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase. Pursuant to such procedure: (a) such tender must be made by or through an Eligible Institution, (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Offeror must be received by the Depository and Paying Agent prior to the Expiration Date, and (c) Share Certificates representing all tendered Company Shares, in proper form for transfer (or a Book Entry Confirmation with respect to such Company Shares), as well as a Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof), properly completed and duly executed with any required signature guarantees (unless, in the case of a book-entry transfer, an Agent’s Message is utilized), and all other documents required by this Letter of Transmittal, must be received by the Depository and Paying Agent within two New York Stock Exchange trading days after the date of execution of such Notice of Guaranteed Delivery. A Notice of Guaranteed Delivery may be delivered by overnight courier, facsimile or mailed to the Depository and Paying Agent and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery made available by the Offeror. In case of Company Shares held through DTC, the Notice of Guaranteed Delivery must be delivered to the Depository and Paying Agent by a participant by means of the confirmation system of DTC.

A properly completed and duly executed Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof) must accompany each such delivery of Share Certificates to the Depository and Paying Agent.
The term “Agent’s Message” means a message, transmitted by DTC to, and received by, the Depositary and Paying Agent and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgment from the participant in DTC tendering the Company Shares which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal and that the Offeror may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF THE SHARES, THIS LETTER OF TRANSMITTAL AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH DTC, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER. DELIVERY OF ALL SUCH DOCUMENTS WILL BE DEEMED MADE AND RISK OF LOSS OF THE CERTIFICATES REPRESENTING SHARES WILL PASS, ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY AND PAYING AGENT (INCLUDING, IN THE CASE OF A BOOK-ENTRY TRANSFER, BY BOOK-ENTRY CONFIRMATION). IF THE DELIVERY IS BY MAIL, IT IS RECOMMENDED THAT ALL SUCH DOCUMENTS BE SENT BY PROPERLY INSURED REGISTERED REGISTERED MAIL WITH RETURN RECEIPT REQUESTED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted. All tendering stockholders, by execution of this Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof), waive any right to receive any notice of the acceptance of their Company Shares for payment.

All questions as to validity, form and eligibility of the surrender of any Share Certificate hereunder will be determined by the Offeror (which may delegate power in whole or in part to the Depositary and Paying Agent) in its sole and absolute discretion, which determination shall be final and binding. The Offeror reserves the right to waive any irregularities or defects in the surrender of any Company Shares or Share Certificate(s). A surrender will not be deemed to have been made until all irregularities have been cured or waived.

3. Inadequate space. If the space provided herein is inadequate, the certificate numbers, the number of Company Shares represented by such Share Certificates and/or the number of Company Shares tendered should be listed on a separate schedule attached hereto and separately signed on each page thereof in the same manner as this Letter of Transmittal is signed.

4. Partial tenders (applicable to certificate stockholders only). If fewer than all the Company Shares evidenced by any Share Certificate delivered to the Depositary and Paying Agent are to be tendered, fill in the number of Company Shares which are to be tendered in the column titled “Number of Company Shares Tendered” in the box titled “Description of Company Shares Tendered.” In such cases, new certificate(s) for the remainder of the Company Shares that were evidenced by the old certificate(s) but not tendered will be sent to the registered owner, unless otherwise provided in the appropriate box on this Letter of Transmittal, as soon as practicable after the Expiration Date. All Company Shares represented by Share Certificates delivered to the Depositary and Paying Agent will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; stock powers and endorsements. If this Letter of Transmittal is signed by the registered owner(s) of the Company Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificate(s) without alteration or any other change whatsoever.

If any Company Shares tendered hereby are owned of record by two or more joint owners, all such owners must sign this Letter of Transmittal.

If any tendered Company Shares are registered in the names of different holder(s), it will be necessary to complete, sign and submit as many separate Letters of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof) as there are different registrations of such Company Shares.

If this Letter of Transmittal or any certificates or stock powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity,
such persons should so indicate when signing, and proper evidence satisfactory to the Offeror of their authority so to act must be submitted, or in lieu of such document signatures must be guaranteed by an Eligible Institution. See Instruction 1.

If this Letter of Transmittal is signed by the registered owner(s) of the Company Shares listed and transmitted hereby, no endorsements of Share Certificates or separate stock powers are required unless payment is to be made to, or Share Certificates representing Company Shares not tendered or accepted for payment are to be issued in the name of, a person other than the registered owner(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered owner(s) of the Share(s) listed, the Share Certificate(s) must be endorsed or accompanied by the appropriate stock powers, in either case, signed exactly as the name or names of the registered owner(s) or holder(s) appear(s) on the Share Certificate(s). Signatures on such Share Certificates or stock powers must be guaranteed by an Eligible Institution.

6. Transfer taxes. Except as otherwise provided in this Instruction 6, the Offeror will pay any transfer taxes with respect to the transfer and sale of Company Shares to it or to its order pursuant to the Offer. For the avoidance of doubt, transfer taxes do not include U.S. federal, state, local or foreign income tax or withholding tax. If, however, payment of the purchase price is to be made to, or (in the circumstances permitted hereby) if Share Certificates not tendered or accepted for payment are to be registered in the name of, any person other than the registered owner(s), or if tendered Share Certificates are registered in the name of any person other than the person signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered owner(s) or person payable on account of the transfer to such person will need to be paid by such person and satisfactory evidence of the payment of such taxes, or the exemption from such payment therefrom, will need to be provided to the Depositary and Paying Agent.

7. Special payment and delivery instructions. If a check is to be issued in the name of, and/or Share Certificates representing Company Shares not tendered or accepted for payment are to be issued or returned to, a person other than the signer(s) of this Letter of Transmittal or if a check and/or such certificates are to be mailed to a person other than the signer(s) of this Letter of Transmittal or to an address other than that shown in the box titled “Description of Company Shares Tendered” above, the appropriate boxes on this Letter of Transmittal should be completed.

8. Requests for assistance or additional copies. Questions or requests for assistance may be directed to the Information Agent at its address and telephone number set forth below or to your broker, dealer, commercial bank or trust company. Additional copies of the Offer to Purchase, this Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be obtained from the Information Agent, which may be contacted at the telephone numbers, mailing address and email address as set forth on the back cover of this Letter of Transmittal, and will be furnished at the Offeror’s expense.

9. Tax forms. Under U.S. federal income tax laws, the Depositary and Paying Agent will be required to withhold a portion of the amount of any payments made to certain stockholders pursuant to the Offer (as defined in the Offer to Purchase). To avoid such backup withholding, each tendering stockholder or payee that is a “U.S. Holder” (as defined in the Offer to Purchase, but including solely for the purpose of this Letter of Transmittal a U.S. partnership) must provide the Depositary and Paying Agent with such stockholder’s or payee’s correct taxpayer identification number (“TIN”) and certify, under penalty of perjury, that such stockholder or payee is not subject to such backup withholding and otherwise comply with applicable requirements of the backup withholding rules by completing the attached IRS Form W-9. A U.S. Holder that fails to provide the correct taxpayer identification number on IRS Form W-9 may be subject to penalties imposed by the IRS. Certain stockholders or payees (including, among others, C corporations) who are exempt recipients are not subject to backup withholding. See the enclosed copy of the IRS Form W-9 and the instructions to IRS Form W-9. Exempt stockholders or payees that are U.S. Holders must furnish their TIN, check the appropriate box on the IRS Form W-9 and sign, under penalty of perjury, date and return the IRS Form W-9 to the Depositary and Paying Agent in order to confirm exempt status and avoid erroneous backup withholding. If backup withholding applies, the
Depositary and Paying Agent is required to withhold 24% of any payments of the purchase price made to the stockholder. Backup withholding is not an additional tax. Rather, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund or credit may be obtained from the IRS provided that the required information is furnished to the IRS.

A Non-U.S. Holder (as defined in the Offer to Purchase) should submit to the Depositary and Paying Agent the appropriate IRS Form W-8 to establish an applicable withholding exemption from backup withholding and establish its Foreign Account Tax Compliance Act (“FATCA”) status (generally, Forms W-8BEN, W-8BEN-E, W-8IMY (with any required attachments), W-8ECI or W-8EXP). In the case of Non-U.S. Holders for which IRS Form W-8BEN is the appropriate form, IRS Form W-8BEN requires a Non-U.S. Holder to provide such Non-U.S. Holder’s name and address, along with certain other information, and to certify, under penalties of perjury, that such Non-U.S. Holder is not a U.S. Person. Non-U.S. Holders may obtain an IRS Form W-8BEN and instructions (or other appropriate IRS Form W-8) from the Depositary and Paying Agent upon request and may also be obtained from the Internal Revenue Service’s website (www.irs.gov).

All Rosetta Stone stockholders are urged to consult their own tax advisors to determine whether they are exempt from these backup withholding requirements and to determine which IRS form should be used to avoid backup withholding.

NOTE: FAILURE TO COMPLETE AND RETURN THE IRS FORM W-9 OR APPROPRIATE IRS FORM W-8 MAY RESULT IN BACKUP WITHHOLDING ON A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER.

10. Lost, destroyed, mutilated or stolen share certificates. If any Share Certificate has been lost, destroyed, mutilated or stolen, the stockholder should promptly notify Rosetta Stone’s stock transfer agent, Broadridge Corporate Issuer Solutions, Inc., (the “Transfer Agent”), toll free (855) 793-5068. The stockholder will then be instructed as to the steps that must be taken in order to replace the Share Certificate. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, mutilated, destroyed or stolen Share Certificates have been followed. You are urged to contact the Transfer Agent immediately in order to receive further instructions and for a determination of whether you will need to post a bond and to permit timely processing of this documentation. This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost, destroyed or stolen Share Certificates have been followed.

11. Waiver of conditions. Subject to the terms and conditions of the Merger Agreement (as defined in the Offer to Purchase) and the applicable rules and regulations of the Securities and Exchange Commission, the conditions of the Offer may be waived by Parent or the Offeror in whole or in part at any time and from time to time in its discretion.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR, WITH RESPECT TO ELIGIBLE INSTITUTIONS, A MANUALLY EXECUTED FACSIMILE COPY THEREOF) OR AN AGENT’S MESSAGE, TOGETHER WITH SHARE CERTIFICATE(S) OR BOOK-ENTRY CONFIRMATION OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY AND ALL OTHER REQUIRED DOCUMENTS MUST BE RECEIVED BY THE DEPOSITARY AND PAYING AGENT ON OR PRIOR TO THE EXPIRATION DATE.
IMPORTANT TAX INFORMATION

Under current U.S. federal income tax law, a stockholder who tenders Rosetta Stone stock certificates that are accepted for exchange may be subject to backup withholding. In order to avoid such backup withholding, a stockholder who is a U.S. Holder (as defined in the Offer to Purchase, but including solely for the purpose of this Letter of Transmittal a U.S. partnership) must provide the Depositary and Paying Agent with such stockholder’s correct taxpayer identification number and certify that such stockholder is not subject to such backup withholding by completing the IRS Form W-9 provided herewith. In general, if a stockholder is an individual, the taxpayer identification number is the Social Security number of such individual. If the Depositary and Paying Agent is not provided with the correct taxpayer identification number, the stockholder may be subject to a penalty imposed by the IRS. For further information concerning backup withholding and instructions for completing the IRS Form W-9 (including how to obtain a taxpayer identification number if you do not have one and how to complete the IRS Form W-9 if the Rosetta Stone stock certificates are held in more than one name), consult the enclosed IRS Form W-9 and the instructions thereto.

Certain stockholders (including, among others, C corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order to satisfy the Depositary and Paying Agent that a foreign stockholder qualifies as an exempt recipient, such stockholder must submit a statement, signed under penalties of perjury, attesting to that stockholder’s exempt status, on a properly completed applicable IRS Form W-8, or successor form. Such statements can be obtained from the Depositary and Paying Agent.

Failure to complete the IRS Form W-9 or applicable IRS Form W-8 will not, by itself, cause the stock certificates to be deemed invalidly tendered, but may require the Depositary and Paying Agent to withhold a portion of the amount of any payments made pursuant to the Offer. Backup withholding is not an additional federal income tax. Rather, the federal income tax liability of a person subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained provided that the required information is furnished to the IRS.

NOTE: FAILURE TO COMPLETE AND RETURN THE IRS FORM W-9 (OR AN APPLICABLE IRS FORM W-8) MAY RESULT IN BACKUP WITHHOLDING OF A PORTION OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED IRS FORM W-9 AND THE INSTRUCTIONS THEREETO FOR ADDITIONAL DETAILS.
Print or type.  
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.
   - Individual/sole proprietor
   - C Corporation
   - S Corporation
   - Partnership
   - Trust/estate single-member LLC
   - Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) >
   - Other (see instructions) >

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):
   - Exempt payee code (if any) _____
   - Exemption from FATCA reporting code (if any) _____
   - (Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions. Requester’s name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

Part I  Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see What Name and Number To Give the Requester for guidelines on whose number to enter.
Social security number

or

Employer identification number

Part II  Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and

3. I am a U.S. citizen or other U.S. person (defined below); and

4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here   Signature of U.S. person >  Date >

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
• Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
• Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
• Form 1099-S (proceeds from real estate transactions)
• Form 1099-K (merchant card and third party network transactions)
• Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
• Form 1099-C (canceled debt)
• Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

*If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.*

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners’ share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See What is FATCA reporting, later, for further information.

**Note:** If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester’s form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners’ share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and

In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a “saving clause.” Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

**Example.** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

**Backup Withholding**

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called “backup withholding.” Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.
Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See Exempt payee code, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see Special rules for partnerships, earlier.

What is FATCA Reporting?
The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See Exemption from FATCA reporting code, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information
You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties
Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions
Line 1
You must enter one of the following on this line; do not leave this line blank. The name should match the name on your tax return.
If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. Individual. Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. Sole proprietor or single-member LLC. Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or “doing business as” (DBA) name on line 2.

c. Partnership, LLC that is not a single-member LLC, C corporation, or S corporation. Enter the entity’s name as shown on the entity’s tax return on line 1 and any business, trade, or DBA name on line 2.

d. Other entities. Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a “disregarded entity.” See Regulations section 301.7701-2(c)(2)(iii). Enter the owner’s name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner’s name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity’s name on line 2, “Business name/disregarded entity name.” If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.
Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

<table>
<thead>
<tr>
<th>IF the entity/person on line 1 is a(n) . . .</th>
<th>THEN check the box for . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Corporation</td>
<td>Corporation</td>
</tr>
<tr>
<td>• Individual</td>
<td>Individual/sole proprietor or single-member LLC</td>
</tr>
<tr>
<td>• Sole proprietorship, or</td>
<td></td>
</tr>
<tr>
<td>• Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.</td>
<td></td>
</tr>
<tr>
<td>• LLC treated as a partnership for U.S. federal tax purposes,</td>
<td>Limited liability company and enter the appropriate tax classification.</td>
</tr>
<tr>
<td>• LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or</td>
<td>(P= Partnership; C= C corporation; or S= S corporation)</td>
</tr>
<tr>
<td>• LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.</td>
<td></td>
</tr>
<tr>
<td>• Partnership</td>
<td>Partnership</td>
</tr>
<tr>
<td>• Trust/estate</td>
<td>Trust/estate</td>
</tr>
</tbody>
</table>

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys’ fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1 – An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2 – The United States or any of its agencies or instrumentalities

3 – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4 – A foreign government or any of its political subdivisions, agencies, or instrumentalities
The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

<table>
<thead>
<tr>
<th>IF the payment is for . . .</th>
<th>THEN the payment is exempt for . . .</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend payments</td>
<td>All exempt payees except for 7</td>
</tr>
<tr>
<td>Broker transactions</td>
<td>Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.</td>
</tr>
<tr>
<td>Barter exchange transactions and patronage dividends</td>
<td>Exempt payees 1 through 4</td>
</tr>
<tr>
<td>Payments over $600 required to be reported and direct sales over $5,000&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Generally, exempt payees 1 through 5&lt;sup&gt;2&lt;/sup&gt;</td>
</tr>
<tr>
<td>Payments made in settlement of payment card or third party network transactions</td>
<td>Exempt payees 1 through 4</td>
</tr>
</tbody>
</table>

<sup>1</sup> See Form 1099-MISC, Miscellaneous Income, and its instructions.

<sup>2</sup> However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys’ fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

**Exemption from FATCA reporting code.** The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with “Not Applicable” (or any similar indication) written or printed on the line for a FATCA exemption code.

A – An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
B – The United States or any of its agencies or instrumentalities
C – A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
D – A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
E – A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
F – A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
G – A real estate investment trust
H – A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
I – A common trust fund as defined in section 584(a)
J – A bank as defined in section 581
K – A broker
L – A trust exempt from tax under section 664 or described in section 4947(a)(1)
M – A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5
Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6
Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see How to get a TIN below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner’s SSN (or EIN, if the owner has one). Do not enter the disregarded entity’s EIN. If the LLC is classified as a corporation or partnership, enter the entity’s EIN.
**Note:** See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

**How to get a TIN.** If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at [www.SSA.gov](http://www.SSA.gov). You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at [www.irs.gov/Businesses](http://www.irs.gov/Businesses) and clicking on Employer Identification Number (EIN) under Starting a Business. Go to [www.irs.gov/Forms](http://www.irs.gov/Forms) to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms) to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write “Applied For” in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

**Note:** Entering “Applied For” means that you have already applied for a TIN or that you intend to apply for one soon.

**Caution:** A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

**Part II. Certification**

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

**Signature requirements.** Complete the certification as indicated in items 1 through 5 below.

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Page 5

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.

2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.

4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. “Other payments” include payments made in the course of the requester’s trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

<table>
<thead>
<tr>
<th>For this type of account:</th>
<th>Give name and SSN of:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Individual</td>
<td>The individual</td>
</tr>
<tr>
<td>2. Two or more individuals (joint account) other than an account maintained by an FFI</td>
<td>The actual owner of the account or, if combined funds, the first individual on the account¹</td>
</tr>
<tr>
<td>3. Two or more U.S. persons (joint account maintained by an FFI)</td>
<td>Each holder of the account¹</td>
</tr>
<tr>
<td>4. Custodial account of a minor (Uniform Gift to Minors Act)</td>
<td>The minor²</td>
</tr>
<tr>
<td>5. a. The usual revocable savings trust (grantor is also trustee)</td>
<td>The minor-trustee¹</td>
</tr>
<tr>
<td>b. So-called trust account that is not a legal or valid trust under state law</td>
<td>The actual owner¹</td>
</tr>
<tr>
<td>6. Sole proprietorship or disregarded entity owned by an individual</td>
<td>The owner³</td>
</tr>
<tr>
<td>7. Custodial account of a minor (Uniform Gift to Minors Act)</td>
<td>The minor²</td>
</tr>
<tr>
<td>8. Corporation or LLC electing corporate status on Form 8832 or Form 2553</td>
<td>The corporation</td>
</tr>
<tr>
<td>9. Association, club, religious, charitable, educational, or other tax-exempt organization</td>
<td>The organization</td>
</tr>
<tr>
<td>10. Partnership or multi-member LLC</td>
<td>The partnership</td>
</tr>
<tr>
<td>11. A broker or registered nominee</td>
<td>The broker or nominee</td>
</tr>
<tr>
<td>12. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671–4(b)(2)(i)(A))</td>
<td>The grantor*</td>
</tr>
<tr>
<td>13. Grantor trust filing under Optional Form 1099 Filing Method 2 (see Regulations section 1.671–4(b)(2)(i)(B))</td>
<td>The trust</td>
</tr>
</tbody>
</table>

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person’s number must be furnished.
² Circle the minor’s name and furnish the minor’s SSN.
³ You must show your individual name and you may also enter your business or DBA name on the “Business name/disregarded entity” name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.
⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see Special rules for partnerships, earlier.

* Note: The grantor also must provide a Form W-9 to trustee of trust.
Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain
other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.
The Depositary and Paying Agent for the Offer is:

**Broadridge Corporate Issuer Solutions, Inc.**

*If delivering by mail:*  
Broadridge Corporate Issuer Solutions, Inc.  
Attn: BCIS Re-Organization Dept.  
P.O. Box 1317  
Brentwood, NY 11717-0718

*If delivering by express mail, courier or any other expedited service:*  
Broadridge Corporate Issuer Solutions, Inc.  
Attn: BCIS IWS  
51 Mercedes Way  
Edgewood, NY 11717

Any questions or requests for assistance or additional copies of the Offer to Purchase, the Letter of Transmittal, the Notice of Guaranteed Delivery and other tender offer materials may be directed to the Information Agent at its telephone number and location listed below. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Offer.

*The Information Agent for the Offer is:*

**Okapi Partners LLC**  
1212 Avenue of the Americas, 24th Floor  
New York, NY 10036

Banks and Brokerage Firms, Please Call: (212) 297-0720  
Stockholders and All Others Call Toll-Free: (855) 208-8901

Email: info@okapipartners.com
NOTICE OF GUARANTEED DELIVERY
for Tender of Shares of Common Stock
of
ROSETTA STONE INC.
at
$30.00 NET PER SHARE
Pursuant to the Offer to Purchase, dated September 15, 2020
by
EMPOWER MERGER SUB INC.
a wholly-owned subsidiary of
CAMBIUM HOLDING CORP.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON OCTOBER 13, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if a stockholder wishes to participate in the Offer (as defined below) and (a) certificates representing shares (the "Company Shares"), of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation, are not immediately available, (b) the procedure for book-entry transfer cannot be completed prior to the expiration of the Offer or (c) time will not permit all required documents to reach Broadridge Corporate Issuer Solutions, Inc. (the "Depositary and Paying Agent") prior to the expiration of the Offer. This Notice of Guaranteed Delivery may be delivered by mail, facsimile transmission or overnight courier to the Depositary and Paying Agent and must include a guarantee by an Eligible Institution (as defined below). See “The Tender Offer—Section 3—Procedure for Tendering Company Shares” of the Offer to Purchase (as defined below).

Company Shares tendered by a Notice of Guaranteed Delivery or other guaranteed delivery procedure will not be deemed validly tendered for any purpose, including for purposes of satisfying the Minimum Condition (as defined in the Offer to Purchase), and the Offeror will be under no obligation to make any payment for such Company Shares, unless and until Company Shares underlying such Notice of Guaranteed Delivery are delivered to the Depositary and Paying Agent in settlement or satisfaction of such guarantee.

The Depositary and Paying Agent for the Offer is:

Broadridge Corporate Issuer Solutions, Inc.

If delivering by mail:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS Re-Organization Dept.
P.O. Box 1317
Brentwood, NY 11717-0718

If delivering by express mail, courier or any other expedited service:

Broadridge Corporate Issuer Solutions, Inc.
Attn: BCIS IWS
51 Mercedes Way
Edgewood, NY 11717

DELIVERY OF THIS INSTRUMENT TO AN ADDRESS, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION, OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY.
THIS NOTICE OF GUARANTEED DELIVERY IS NOT TO BE USED TO GUARANTEE SIGNATURES. IF A SIGNATURE ON A LETTER OF TRANSMITTAL IS REQUIRED TO BE GUARANTEED BY AN “ELIGIBLE INSTITUTION” (AS DEFINED IN “THE TENDER OFFER—SECTION 3—PROCEDURES FOR TENDERING SHARES” OF THE OFFER TO PURCHASE) UNDER THE INSTRUCTIONS THERETO, SUCH SIGNATURE GUARANTEE MUST APPEAR IN THE APPLICABLE SPACE PROVIDED IN THE SIGNATURE BOX ON THE APPROPRIATE LETTER OF TRANSMITTAL.

The Eligible Institution (as defined in the Offer to Purchase) that completes this Notice of Guaranteed Delivery must communicate the guarantee to the Depositary and Paying Agent and must deliver a properly completed and duly executed Letter of Transmittal or an Agent’s Message (as defined in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase) and certificates for Company Shares or book-entry Company Shares that are the subject of this Notice of Guaranteed Delivery to the Depositary and Paying Agent within the time period shown herein. Failure to do so could result in a financial loss to such Eligible Institution.

Ladies and Gentlemen:

The undersigned hereby tenders Empower Merger Sub Inc., a Delaware corporation (the “Offeror”), and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation, which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and the related Letter of Transmittal (which, together with the Offer to Purchase, as each may be amended or supplemented from time to time as permitted therein, collectively constitute the “Offer”), receipt of which is hereby acknowledged, the number of shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation, specified below, pursuant to the guaranteed delivery procedure set forth in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase.

Number of Company Shares Tendered:

Share Certificate Number(s) (if available):

Check here and complete the information below if Company Shares will be tendered by book entry transfer.

Name of Tendering Institution: ____________________________

DTC Participant Number: ____________________________

Transaction Code Number: ____________________________

Date: ____________________________

Name(s) of Record Owner(s) (Please Type or Print)

Address(es): ____________________________ (Including Zip Code)

Area Code and Telephone Number: ____________________________

Signature(s): ____________________________

CORPORATE ACTIONS VOLUNTARY COY BKS

GUARANTEE

(Not to be used for signature guarantee)
The undersigned, a member in good standing of a recognized Medallion Program approved by the Securities Transfer Association Incorporated, including the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program and the Stock Exchanges Medallion Program (each, an “Eligible Institution”), hereby guarantees that either the certificates representing the Company Shares tendered hereby, in proper form for transfer, or timely confirmation of a book-entry transfer of such Company Shares into the Depositary and Paying Agent’s account at The Depository Trust Company (pursuant to the procedures set forth in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase), together with a properly completed and duly executed Letter of Transmittal (or, with respect to Eligible Institutions, a manually executed facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent’s Message (as defined in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase)) and any other documents required by the Letter of Transmittal, will be received by the Depositary and Paying Agent at one of its addresses set forth above within two New York Stock Exchange trading days after the date of execution hereof.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and Paying Agent and must deliver the Letter of Transmittal, certificates representing the Company Shares and/or any other required documents to the Depositary and Paying Agent within the time period shown above. Failure to do so could result in a financial loss to such Eligible Institution.

Participants should notify the Depositary prior to covering through the submission of a physical security directly to the Depositary based on a guaranteed delivery that was submitted via DTC’s PTOP platform.

Name of firm: 
Address: (Including Zip Code)
Area Code and Telephone Number:
Authorized Signature: 
Name: (Please Type or Print)
Title: 
Dated: 

NOTE: DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE OF GUARANTEED DELIVERY. SHARE CERTIFICATES REPRESENTING TENDERED SHARES ARE TO BE DELIVERED WITH THE LETTER OF TRANSMITTAL.

CORPORATE ACTIONS VOLUNTARY COY BKS
Offer to Purchase For Cash
All Outstanding Shares of Common Stock
of
ROSETTA STONE INC.

at
$30.00 NET PER SHARE
Pursuant to the Offer to Purchase, dated September 15, 2020
by
EMPOWER MERGER SUB INC.
a wholly-owned subsidiary of
CAMBIUM HOLDING CORP.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON OCTOBER 13, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

September 15, 2020

To Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees:

We have been engaged by Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership (the “Sponsor”), to act as information agent (“Information Agent”) in connection with the Offeror’s offer to purchase all of the issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), at a purchase price of $30.00 per share, net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and in the related Letter of Transmittal (the “Letter of Transmittal” which, together with the Offer to Purchase, as each may be amended or supplemented from time to time as permitted under the Merger Agreement described below, collectively constitute the “Offer”). Please furnish copies of the enclosed materials to those of your clients for whom you hold Company Shares registered in your name or in the name of your nominee.

For your information and for forwarding to your clients for whom you hold Company Shares registered in your name or in the name of your nominee, we are enclosing the following documents:

1. the Offer to Purchase, dated September 15, 2020;
2. the Letter of Transmittal to be used by stockholders of Rosetta Stone in accepting the Offer and tendering Company Shares, including an Internal Revenue Service Form W-9;
3. the Notice of Guaranteed Delivery to be used to accept the Offer if Company Shares to be tendered and/or all other required documents cannot be delivered to Broadridge Corporate Issuer Solutions, Inc. (the “Depositary and Paying Agent”) by the expiration of the Offer or if the procedure for book-entry transfer cannot be completed by the expiration of the Offer;
4. Rosetta Stone’s Solicitation/Recommendation Statement on Schedule 14D-9;
5. the form of letter that may be sent to your clients for whose accounts you hold Company Shares in your name or in the name of your nominee, with space provided for obtaining such clients’ instructions with regard to the Offer; and

6. the return envelope addressed to the Depositary and Paying Agent for your use only.

Certain conditions to the Offer are described in “The Tender Offer—Section 13—Conditions of the Offer” of the Offer to Purchase.

Your prompt action is requested. We urge you to contact your clients as promptly as possible. Please note that the Offer will expire at one minute after 11:59 P.M., New York City Time, on October 13, 2020, unless the Offer is extended. Previously tendered Company Shares may be withdrawn at any time until the Offer has expired; and, if not previously accepted for payment at any time, after November 14, 2020, pursuant to SEC (as defined in the Offer to Purchase) regulations.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of August 29, 2020, by and among Rosetta Stone, Parent and the Offeror (as it may be amended and supplemented from time to time, the “Merger Agreement”), pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation in the Merger, as a wholly-owned subsidiary of Parent.

The Merger Agreement contemplates that the Merger will be effected pursuant to Section 251(h) of the Delaware General Corporation Law (the “DGCL”), which permits completion of the Merger upon the collective ownership by Parent, the Offeror and any other affiliate of Parent of one share more than 50% of the then outstanding Company Shares, and, if the Merger is so effected pursuant to Section 251(h) of the DGCL, no vote of Rosetta Stone’s stockholders will be required to adopt the Merger Agreement or consummate the Merger. As a result of the Merger, the Company Shares will cease to be publicly traded. Parent and the Offeror are controlled by the Sponsor.

The board of directors of Rosetta Stone has unanimously (with one director having recused herself) (a) determined that the Offer and the Merger, and the other transactions contemplated by the Merger Agreement, are fair to, and in the best interests of, Rosetta Stone’s stockholders, (b) authorized and approved the execution, delivery and performance of the Merger Agreement by Rosetta Stone, (c) declared that the Merger Agreement is advisable, (d) resolved to recommend that the stockholders of Rosetta Stone tender their Company Shares pursuant to the Offer, and (e) elected to enter into the Merger Agreement and consummate the transactions contemplated by the Merger Agreement pursuant to Section 251(h) of the DGCL.

For Company Shares to be validly tendered pursuant to the Offer, (a) the share certificates or confirmation of receipt of such Company Shares under the procedure for book-entry transfer, together with a properly completed and duly executed Letter of Transmittal, including any required medallion signature guarantees, or an “Agent’s Message” (as defined in “The Tender Offer—Section 3—Procedures for Tendering Company Shares” of the Offer to Purchase) in the case of book-entry transfer, and any other documents required in the Letter of Transmittal, must be timely received by the Depositary and Paying Agent or (b) the tendering stockholder must comply with the guaranteed delivery procedures, all in accordance with the Offer to Purchase and the Letter of Transmittal.

Neither Parent nor the Offeror will pay any fees or commissions to any broker or dealer or other person (other than the Information Agent and the Depositary and Paying Agent, as described in the Offer to Purchase) for soliciting tenders of Company Shares pursuant to the Offer. The Offeror will, however, upon request, reimburse brokers, dealers, commercial banks, trust companies and other nominees for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers. The Offeror will pay all stock transfer taxes applicable to its purchase of Company Shares pursuant to the Offer, subject to Instruction 6 of the Letter of Transmittal.
The Offer is not being made to, nor will tenders be accepted from or on behalf of, holders of Company Shares in any U.S. state in which the making of
the Offer or acceptance thereof would not be in compliance with the securities, “blue sky” or other laws of such jurisdiction.

Questions and requests for assistance or for additional copies of the enclosed materials may be directed to the Information Agent, at the address and telephone numbers set forth in the Offer to Purchase. Additional copies of the enclosed materials will be furnished at the Offeror’s expense.

Very truly yours,
Okapi Partners LLC

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL RENDER YOU OR ANY PERSON THE AGENT OF PARENT, THE OFFEROR, ROSETTA STONE, THE INFORMATION AGENT, THE DEPOSITARY AND PAYING AGENT, OR ANY OF THEIR AFFILIATES, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT OR REPRESENTATION ON BEHALF OF ANY OF THEM WITH RESPECT TO THE OFFER NOT CONTAINED IN THE OFFER TO PURCHASE OR THE LETTER OF TRANSMITTAL.
Offer to Purchase For Cash
All Outstanding Shares of Common Stock
of
ROSETTA STONE INC.
at
$30.00 NET PER SHARE
Pursuant to the Offer to Purchase, dated September 15, 2020
by
EMPOWER MERGER SUB INC.
a wholly-owned subsidiary of
CAMBIUM HOLDING CORP.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON OCTOBER 13, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

September 15, 2020

To Our Clients:

Enclosed for your consideration is an Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and the related Letter of Transmittal (the “Letter of Transmittal”), together with the Offer to Purchase, as each may be amended or supplemented from time to time as permitted under the Merger Agreement described below, which, together constitute the “Offer”), relating to the offer by Empower Merger Sub Inc., a Delaware corporation (the “Offeror”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership (the “Sponsor”), to purchase all of the issued and outstanding shares of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), at a purchase price of $30.00 per share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer. Also enclosed is Rosetta Stone’s Solicitation/Recommendation Statement on Schedule 14D-9 (the “Schedule 14D-9”), which was filed with the U.S. Securities and Exchange Commission (the “SEC”) in connection with the Offer.

FOR THE REASONS DESCRIBED IN THE SCHEDULE 14D-9, THE BOARD OF DIRECTORS OF ROSETTA STONE (THE “ROSETTA STONE BOARD”) RECOMMENDS THAT YOU ACCEPT THE OFFER AND TENDER ALL OF YOUR COMPANY SHARES TO THE OFFEROR PURSUANT TO THE OFFER.

We or our nominees are the holder of record of Company Shares held by us for your account. A tender of such Company Shares can be made only by us as the holder of record and pursuant to your instructions. The Letter of Transmittal accompanying this letter is furnished to you for your information only and cannot be used by you to tender Company Shares held by us for your account.

We request instructions as to whether you wish us to tender any or all of the Company Shares held by us for your account, pursuant to the terms and conditions set forth in the Offer.
Your attention is directed to the following:

1. The Offer Price is $30.00 per share, net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer.

2. The Offer is being made for all issued and outstanding Company Shares.

3. The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of August 29, 2020, by and among Rosetta Stone, Parent and the Offeror (as it may be amended and supplemented from time to time, the “Merger Agreement”), pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation in the Merger, as a wholly-owned subsidiary of Parent.

4. The Merger Agreement contemplates that the Merger will be effected pursuant to Section 251(h) of the Delaware General Corporation Law (the “DGCL”), which permits completion of the Merger upon the collective ownership by Parent, the Offeror and any other affiliate of Parent of one share more than 50% of the then outstanding Company Shares, and, if the Merger is so effected pursuant to Section 251(h) of the DGCL, no vote of Rosetta Stone’s stockholders will be required to adopt the Merger Agreement or consummate the Merger. As a result of the Merger, the Company Shares will cease to be publicly traded. Parent and the Offeror are controlled by the Sponsor.

5. The Rosetta Stone Board has unanimously (with one director recusing herself) (a) determined that the Offer and the Merger, and the other transactions contemplated by the Merger Agreement, are fair to, and in the best interests of, Rosetta Stone’s stockholders, (b) authorized and approved the execution, delivery and performance of the Merger Agreement by Rosetta Stone, (c) declared that the Merger Agreement is advisable, (d) resolved to recommend that the stockholders of Rosetta Stone tender their Company Shares pursuant to the Offer, and (e) elected to enter into the Merger Agreement and consummate the transactions contemplated by the Merger Agreement pursuant to Section 251(h) of the DGCL.

6. The obligation of the Offeror to accept for payment and pay for Company Shares validly tendered (and not validly withdrawn) pursuant to the Offer is subject to the conditions set forth in “The Tender Offer—Section 13—Conditions of the Offer” of the Offer to Purchase.

7. The Offer and withdrawal rights will expire at one minute after 11:59 p.m., New York City Time, on October 13, 2020, unless the Offer is extended by the Offeror or earlier terminated. Previously tendered Company Shares may be withdrawn at any time until the Offer has expired, and if not previously accepted for payment at any time, after November 14, 2020, pursuant to SEC regulations.

8. Any transfer taxes applicable to the sale of Company Shares to the Offeror pursuant to the Offer will be paid by the Offeror, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

If you wish to have us tender any or all of your Company Shares, then please so instruct us by completing, executing, detaching and returning to us the Instruction Form on the detachable part hereof. An envelope to return your instructions to us is enclosed. If you authorize tender of your Company Shares, then all such Company Shares will be tendered unless otherwise specified on the Instruction Form.

Your prompt action is requested. Your Instruction Form should be forwarded to us in ample time to permit us to submit the tender on your behalf before the expiration of the Offer.

The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Company Shares in any U.S. state in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to holders of Company Shares in such jurisdiction.
INSTRUCTION FORM
With Respect to the Offer to Purchase For Cash
All Outstanding Shares of Common Stock
of
ROSETTA STONE INC.

at
$30.00 NET PER SHARE
Pursuant to the Offer to Purchase, dated September 15, 2020
by
EMPOWER MERGER SUB INC.
a wholly-owned subsidiary of
CAMBIUM HOLDING CORP.

The undersigned acknowledge(s) receipt of your letter and the enclosed Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and the related Letter of Transmittal (the “Letter of Transmittal” which, together with the Offer to Purchase, as each may be amended or supplemented from time to time as permitted therein, collectively constitute the “Offer”), relating to the offer by Empower Merger Sub Inc., a Delaware corporation and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation, which is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership, to purchase all of the issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation, at a price of $30.00 per share, net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer.

The undersigned hereby instruct(s) you to tender to the Offeror the number of Company Shares indicated below (or if no number is indicated, all Company Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer. The undersigned understand(s) and acknowledge(s) that all questions as to the validity, form and eligibility (including time of receipt) and acceptance for payment of any tender of Company Shares made on the undersigned’s behalf will be determined by the Offeror in its sole discretion.

The method of delivery of this document is at the election and risk of the tendering stockholder. If delivery is by mail, then registered mail with return receipt requested, properly insured, is recommended. In all cases, sufficient time should be allowed to ensure timely delivery.
<table>
<thead>
<tr>
<th><strong>Number of Company Shares to be Tendered:</strong></th>
<th><strong>SIGN HERE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Shares*</td>
<td>Signature(s)</td>
</tr>
<tr>
<td>Account No.</td>
<td></td>
</tr>
<tr>
<td>Dated , 2020</td>
<td></td>
</tr>
<tr>
<td><strong>Area Code and Phone Number</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Tax Identification Number or Social Security Number**

* Unless otherwise indicated, it will be assumed that all Company Shares held by us for your account are to be tendered.
NOTICE OF OFFER TO PURCHASE FOR CASH
All Outstanding Shares of Common Stock
of
ROSETTA STONE INC.
at
$30.00 NET PER SHARE
Pursuant to the Offer to Purchase dated September 15, 2020
by
EMPOWER MERGER SUB INC.
a wholly-owned subsidiary of
CAMBIUM HOLDING CORP.

Empower Merger Sub Inc., a Delaware corporation (the “Offeror” or “we”) and a wholly-owned subsidiary of Cambium Holding Corp., a Delaware corporation (“Parent”), is offering to purchase all of the issued and outstanding shares (the “Company Shares”) of common stock, par value $0.00005 per share, of Rosetta Stone Inc., a Delaware corporation (“Rosetta Stone”), at a purchase price of $30.00 per share (the “Offer Price”), net to the holder thereof in cash, net of applicable withholding taxes and without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated September 15, 2020 (the “Offer to Purchase”), and in the related Letter of Transmittal (the “Letter of Transmittal” which, together with the Offer to Purchase, as each may be amended or supplemented from time to time, in accordance with the Merger Agreement described below, collectively constitute the “Offer”). Following the consummation of the Offer, and subject to the conditions described in the Offer to Purchase, the Offeror intends to effect the Merger described below.

THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT ONE MINUTE AFTER 11:59 P.M., NEW YORK CITY TIME, ON OCTOBER 13, 2020, UNLESS THE OFFER IS EXTENDED OR EARLIER TERMINATED.

The purpose of the Offer is for Parent to acquire control of, and all of the outstanding equity interests in, Rosetta Stone. Parent is a portfolio company of The Veritas Capital Fund VI, L.P., a Delaware limited partnership.

The Offer is being made pursuant to the Agreement and Plan of Merger, dated as of August 29, 2020, by and among Parent, the Offeror and Rosetta Stone (as it may be amended and supplemented from time to time, the “Merger Agreement”), pursuant to which, as soon as practicable after the consummation of the Offer, and subject to the satisfaction or waiver of certain conditions, the Offeror will merge with and into Rosetta Stone (the “Merger”), with Rosetta Stone continuing as the surviving corporation (the “Surviving Corporation”) in the Merger as a wholly-owned subsidiary of Parent. At the effective time of the Merger, each issued and outstanding Company Share (other than (i) Company Shares owned by Rosetta Stone or any of its subsidiaries (including...
Company Shares held as treasury stock), or owned by Parent or any of its subsidiaries, including the Offeror (including any Company Shares acquired by the Offeror in the Offer), in each case, immediately prior to the effective time and (ii) Company Shares owned by any stockholders who have properly exercised their appraisal rights under Section 262 of the Delaware General Corporation Law (the “DGCL”) will be converted automatically into and will thereafter represent only the right to receive an amount in cash equal to the Offer Price, net of applicable withholding taxes and without interest. As a result of the Merger, the Company Shares will cease to be publicly traded, and Rosetta Stone will become a wholly-owned subsidiary of Parent. The Offer, the Merger and the other transactions contemplated by the Merger Agreement, but excluding, in any event, the related financing, are collectively referred to as the “Transactions”.

If, as a result of the Offer, the Offeror owns Company Shares representing at least one Company Share more than 50% of the then outstanding Company Shares, Parent, the Offeror and Rosetta Stone will, subject to the satisfaction or waiver of the remaining conditions set forth in the Merger Agreement, as soon as practicable, consummate the Merger (but in any event no later than the date of, and immediately following, the payment for the Company Shares accepted for payment in the Offer) under the provisions of Section 251(h) of the DGCL without prior notice to, or any action by, any other stockholder of Rosetta Stone.

The Offer is not subject to any financing condition. The obligation of the Offeror to accept for payment the Company Shares validly tendered pursuant to the Offer is conditioned upon, among other things: (a) the number of Company Shares validly tendered (and not validly withdrawn) prior to the expiration of the Offer (but excluding Company Shares tendered pursuant to guaranteed delivery procedures that have not yet been “received” by the “depository,” as such terms are defined by Section 251(h)(6) of the DGCL), together with the Company Shares then owned by the Offeror, Parent and their affiliates, representing at least one Company Share more than 50% of the then outstanding Company Shares (the “Minimum Condition”); (b) the expiration or termination of any waiting period (and any extensions thereof) applicable to the consummation of the Offer under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended; (c) the absence of any order preventing, enjoining, restraining, prohibiting or making illegal the consummation of the Merger or the other transactions contemplated by the Merger Agreement or any legal requirement being issued, enacted, promulgated, enforced or entered that would make the consummation of the Offer or the Merger illegal or prevents, enjoins, restrains or prohibits the consummation of the Merger or the other transactions contemplated by the Merger Agreement; (d) the accuracy of Rosetta Stone’s representations and warranties contained in the Merger Agreement (subject to certain qualifications); (e) Rosetta Stone’s performance, in all material respects, with its covenants required to be performed with by it under the Merger Agreement; (f) since the date of the Merger Agreement, no Material Adverse Effect (as defined in the Merger Agreement) having occurred; (g) the receipt by Parent of a certificate of an executive officer of Rosetta Stone as to the satisfaction of the conditions referred to in clauses (d), (e), and (f) above; and (h) the Merger Agreement not having been validly terminated in accordance with its terms (the “Termination Condition”) (the conditions in clauses (a) through (h), the “Offer Conditions”). The Offer is also subject to certain other terms and conditions set forth in the Offer to Purchase.

The term “Expiration Time” means one minute after 11:59 p.m., New York City time, on October 13, 2020, unless the Offeror has extended the Offer, in which event the term “Expiration Time” means the latest time and date at which the offering period of the Offer, as so extended by the Offeror, will expire.

The board of directors of Rosetta Stone has unanimously (with one director having recused herself) (a) determined that the Offer and the Merger, and the other transactions contemplated by the Merger Agreement are fair to, and in the best interests of, Rosetta Stone’s stockholders, (b) authorized and approved the execution, delivery and performance of the Merger Agreement by Rosetta Stone, (c) declared that the Merger Agreement is advisable, (d) resolved to recommend that the stockholders of Rosetta Stone tender their Company Shares pursuant to the Offer, and (e) elected to enter into the Merger Agreement and consummate the transactions contemplated by the Merger Agreement pursuant to Section 251(h) of the DGCL.

Subject to the terms and conditions of the Merger Agreement, the Offer may be extended from time to time as follows: (a) if, at the then-scheduled Expiration Time, any Offer Condition is not satisfied and has not been
waived, then (i) the Offeror may extend the Offer and the Expiration Time beyond the initial Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) each to permit such Offer Condition to be satisfied and (ii) to the extent requested by Rosetta Stone from time to time, the Offeror will extend (and re-extend) the Offer and the Expiration Time beyond the then-scheduled Expiration Time for one or more periods of up to 10 business days (calculated as set forth in Rule 14d-1(g)(3) under the Exchange Act) each to permit such Offer Condition to be satisfied; provided that the Offeror will not be required to extend the Offer beyond December 29, 2020 (the “End Date”), nor will the Offeror extend the Offer beyond the End Date without Rosetta Stone’s prior written consent; and (b) the Offeror will extend the Offer and the Expiration Time for the minimum period required by any applicable legal requirements. There can be no assurance that the Offeror will, or will be required under the Merger Agreement to, extend the Offer. During any extension of the initial offering period, all Company Shares previously validly tendered and not validly withdrawn will remain subject to the Offer and subject to withdrawal rights.

The Offer may not, however, be extended beyond one minute after 11:59 p.m., New York City time, on the End Date.

Any extension of the Offer, waiver, amendment of the Offer, delay in acceptance for payment or payment or termination of the Offer will be followed promptly by public announcement thereof; the announcement in the case of an extension to be issued not later than 9:00 a.m., Eastern Time, on the next business day after the previously scheduled Expiration Time in accordance with the public announcement requirements of Rules 14d-4(d), 14d-6(c) and 14e-1(d) under the Exchange Act.

Subject to the applicable rules and regulations of the SEC and the provisions of the Merger Agreement, Parent and the Offeror reserve the right to increase the Offer Price, waive, in whole or in part, any Offer Condition (other than the Minimum Condition or the Termination Condition) or to modify the terms of the Offer. However, pursuant to the Merger Agreement, Parent and the Offeror have each agreed that it will not, without the prior written consent of Rosetta Stone, (a) change, amend or waive the Minimum Condition or the Termination Condition (provided that Parent and the Offeror expressly reserve the right to (but shall not be obligated to) waive any of the Offer conditions (other than the Minimum Condition and the Termination Condition) in their reasonable discretion), (b) decrease the number of Company Shares sought to be purchased by the Offeror in the Offer so that it is for fewer than all of the outstanding Company Shares, (c) reduce the Offer Price to be paid pursuant to the Offer (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) increase the Offer Price to be paid pursuant to the Offer in their sole discretion), (d) except as otherwise required or expressly permitted by the applicable provisions of the Merger Agreement, extend or otherwise change the Expiration Time, (e) change the form of consideration payable in the Offer, (f) impose any condition to the Offer (other than the Offer Conditions) or amend, modify or supplement any of the Offer Conditions or any of the other terms of the Offer in any manner adversely affecting, or that would reasonably be expected to have an adverse effect on, any of the holders of Company Shares (provided that Parent and the Offeror expressly reserve the right to (but will not be obligated to) waive any of the Offer Conditions (other than the Minimum Condition and the Termination Condition) in their reasonable discretion); (g) provide for any “subsequent offering period” in accordance with Rule 14d-11 under the Exchange Act or (h) take any action (or fail to take any action) that would result in the Merger not being permitted to be effected pursuant to Section 251(h) of the DGCL. The Offer may not be terminated prior to its then-scheduled Expiration Time unless the Merger Agreement is terminated in accordance with its terms.

In order to tender all or any portion of your Company Shares to the Offeror in the Offer, you must (a) follow the procedures described in the Offer to Purchase or (b) if your Company Shares are held through a broker, dealer, commercial bank, trust company or other nominee, contact such nominee and request that they effect the transaction for you and tender your Company Shares. Beneficial owners of Company Shares holding their Company Shares through nominees should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Offer. Accordingly, beneficial owners holding Company Shares through a broker, dealer, commercial bank, trust company or other nominee and who wish to participate in the Offer should contact such nominee as soon...
as possible in order to determine the times by which such owner must take action in order to participate in the Offer.

If you desire to tender Company Shares to the Offeror pursuant to the Offer and the certificates representing your Company Shares are not immediately available, or if you cannot comply in a timely manner with the procedures for tendering your Company Shares by book-entry transfer, or cannot deliver all required documents to Broadridge Corporate Issuer Solutions, Inc. (the “Depositary and Paying Agent”) by the expiration of the Offer, you may tender your Company Shares by following the procedures for guaranteed delivery set forth in the Offer to Purchase.

For purposes of the Offer, the Offeror will be deemed to have accepted for payment and thereby purchased Company Shares validly tendered and not validly withdrawn if and when the Offeror gives oral or written notice to the Depositary and Paying Agent of its acceptance for payment of those Company Shares pursuant to the Offer. Payment for Company Shares accepted for payment pursuant to the Offer will be made by deposit of the purchase price therefor with the Depositary and Paying Agent, which will act as agent for the tendering stockholders for purposes of receiving payments from the Offeror and transmitting those payments to tendering stockholders. If the Offeror extends the Offer, is delayed in its acceptance for payment of Company Shares or is unable to accept for payment Company Shares pursuant to the Offer for any reason, then, without prejudice to the Offeror’s rights under this Ofer, the Depositary and Paying Agent may nevertheless, on behalf of the Offeror, retain tendered Company Shares, and those Company Shares may not be withdrawn except to the extent that tendering stockholders are entitled to withdrawal rights as described in the Offer to Purchase. Under no circumstances will interest be paid on the Offer Price for Company Shares, regardless of any extension of the Offer or any delay in payment for Company Shares.

Company Shares tendered pursuant to the Offer may be withdrawn at any time on or prior to the Expiration Time, and, if not previously accepted for payment at any time, after November 14, 2020, the date that is 60 days after the date of the commencement of the Offer, pursuant to SEC regulations. For a withdrawal of Company Shares to be effective, a written or, with respect to “eligible institutions,” facsimile transmission, notice of withdrawal with respect to the Company Shares must be timely received by the Depositary and Paying Agent at the address set forth on the back cover of this Offer to Purchase. Any notice of withdrawal must specify the name of the person having tendered the Company Shares to be withdrawn, the number of Company Shares to be withdrawn and the name of the registered holder of the Company Shares to be withdrawn, if different from that of the person who tendered those Company Shares. The signature(s) on the notice of withdrawal must be guaranteed by an eligible institution, unless those Company Shares have been tendered for the account of any eligible institution. If Company Shares have been tendered pursuant to the procedures for book-entry transfer, any notice of withdrawal must specify the name and number of the account at The Depository Trust Company to be credited with the withdrawn Company Shares. If certificates representing the Company Shares to be withdrawn have been delivered or otherwise identified to the Depositary and Paying Agent, the name of the registered owner and the serial numbers shown on such certificates must also be furnished to the Depositary and Paying Agent prior to the physical release of such certificates. If a stockholder tenders Company Shares by giving instructions to a broker, dealer, commercial bank, trust company or other nominee, the stockholder must instruct such broker, dealer, commercial bank, trust company or other nominee to arrange for the withdrawal of those Company Shares.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Company Shares will be determined by the Offeror (which may delegate such power in whole or in part to the Depositary and Paying Agent) in its sole and absolute discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. The Offeror reserves the absolute right to reject any and all tenders determined by it not to be in proper form. The Offeror also reserves the absolute right to waive any defect or irregularity in the tender of any Company Shares of any particular stockholder whether or not similar defects or irregularities are waived in the case of any other stockholder. No tender of Company Shares will be deemed to have been validly made until all defects and irregularities relating thereto have been cured or waived. None of Parent, the Offeror or any of their respective affiliates or assignees, the Depositary and Paying Agent and Okapi Partners LLC (the “Information Agent”), or any other person will be under any duty to
give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification. The Offeror’s interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Instructions thereto and any other documents related to the Offer) will be final and binding. Withdrawals of tenders of Company Shares may not be rescinded, and any Company Shares validly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Company Shares may be retendered by following one of the procedures for tendering Company Shares described in the Offer to Purchase at any time prior to the Expiration Time.

The information required to be disclosed by paragraph (d)(1) of Rule 14d-6 under the Exchange Act is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Letter of Transmittal are being mailed to record holders of Company Shares whose names appear on Rosetta Stone’s stockholder list and will be furnished to brokers, dealers, commercial banks, trust companies or other nominees whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to beneficial owners of Company Shares.

The Offer to Purchase, the related Letter of Transmittal and Rosetta Stone’s Solicitation/Recommendation Statement on Schedule 14D-9 and the other documents to which such documents refer contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance and copies of the Offer to Purchase, the Letter of Transmittal and all other tender offer materials may be directed to the Information Agent at its address and telephone numbers set forth below and will be furnished promptly at the Offeror’s expense. Neither Parent nor the Offeror will pay any fees or commissions to any broker, dealer, commercial bank, trust company or other nominee (other than to the Depositary and Paying Agent and the Information Agent) in connection with the solicitation of tenders of Company Shares pursuant to the Offer.

The Information Agent for the Offer Is:

Okapi Partners LLC

1212 Avenue of the Americas, 24th Floor
New York, NY 10036

Banks and Brokerage Firms, Please Call: (212) 297-0720
Stockholders and All Others Call Toll-Free: (855) 208-8901

Email: info@okapipartners.com

September 15, 2020
Ladies and Gentlemen:

You have advised Royal Bank of Canada ("Royal Bank") and RBC Capital Markets1 ("RBCCM"), Deutsche Bank AG New York Branch ("DBNY"), Deutsche Bank Securities Inc. ("DBSI" and, together with DBNY and such of its and DBSI's branches or affiliates as they deem appropriate, "DB"); DB and, together with Royal Bank and any Additional Committing Incremental Lender appointed as provided below, each a "Commitment Party" and collectively, the "Commitment Parties," "we" or "us") that Empower Merger Sub Inc., a Delaware corporation ("Acquisition Sub") and a wholly owned subsidiary of Cambium Holding Corp., a Delaware corporation ("Intermediate Holdings"), which is a wholly owned subsidiary of Cambium Intermediate Holdings LLC, a Delaware limited liability company ("Holdings" or "you"), proposes to acquire (the "Acquisition") all of the outstanding equity interests of a company previously identified to us and code-named "Empower" (the "Company"). The Acquisition shall be consummated pursuant to the Agreement and Plan of Merger dated as of the date hereof, including the disclosure schedules and exhibits thereto (the "Acquisition Agreement") by and among Intermediate Holdings, Acquisition Sub and the Company. All references to "dollars" or "$" in this agreement and the annexes and any other attachments hereto (collectively, this "Commitment Letter") are references to United States dollars. Capitalized terms used but not defined in this Commitment Letter shall have the meaning assigned to them in the Term Sheets (defined below).

We understand that the sources of funds required to fund the Acquisition consideration, to pay fees, commissions and expenses in connection with the Transactions (as defined below), to pay transition and integration costs to integrate the Company as a wholly-owned indirect subsidiary of Holdings (including capital expenditures incurred in connection therewith) (such costs, the "Transition Costs") will include (i) a $425 million incremental senior secured first lien term loan facility (the "First Lien Incremental Term Loan Facility"; and the loans thereunder, the "First Lien Incremental Term Loans") under that certain First Lien Credit Agreement, dated as of December 18, 2018 (as amended by the First Amendment to First Lien Credit Agreement entered into as of December 31, 2019 and as further amended, restated, supplemented or otherwise modified from time to time, the "First Lien Credit Agreement"), among the Administrative

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1 RBC Capital Markets is a marketing name for the investment banking activities of Royal Bank of Canada.
Borrower and the other parties party thereto, as described in the Summary of Principal Terms and Conditions attached hereto as Annex I (the “First Lien Incremental Facility Term Sheet”), (ii) a $150 million incremental senior secured second lien term loan facility (the “Second Lien Incremental Term Loan Facility”) and together with the First Lien Incremental Term Loan Facilities, the “Incremental Term Facilities”; and the loans under the Second Lien Incremental Term Loan Facility, the “Second Lien Incremental Term Loans”, and, together with the First Lien Incremental Term Loans, the “Incremental Term Loans”), under that certain Second Lien Credit Agreement, dated as of December 18, 2018 (as amended by the First Amendment to Second Lien Credit Agreement entered into as of December 31, 2019 and as further amended, restated, supplemented or otherwise modified from time to time, the “Second Lien Credit Agreement” and, together with the First Lien Credit Agreement, each, a “Credit Agreement” and, collectively, the “Credit Agreements”), among the Administrative Borrower and the other parties party thereto, as described in the Summary of Principal Terms and Conditions attached hereto as Annex II (the “Second Lien Incremental Facility Term Sheet”; and together with the First Lien Incremental Facility Term Sheet, the “Term Sheets”), (iii) common equity, qualified preferred equity or other equity (such qualified preferred equity and other equity to be on terms reasonably satisfactory to the Commitment Parties) investments by The Veritas Capital Fund VI. L.P. and/or its affiliates (“Sponsor”) and certain controlled affiliates and funds managed or advised by them, certain members of management of the Company, and certain other co-investors arranged by and/or designated by the Sponsor (the “Equity Investors”) in Holdings (to be contributed by Holdings as cash common equity, qualified preferred equity or other equity (such qualified preferred equity and other equity to be on terms reasonably satisfactory to the Commitment Parties) to Acquisition Sub), collectively equaling not less than $50 million (such minimum amount, the “Minimum Equity Contribution Amount”; such contribution, the “Equity Contribution”), and (iv) use of cash on hand, if necessary.

In addition, in connection with the Transactions, you are seeking a $25 million Incremental Revolving Commitment (as defined in the First Lien Credit Agreement) (the “First Lien Incremental Revolving Commitment” and (x) the First Lien Incremental Revolving Commitment together with First Lien Incremental Term Loan Facility, the “First Lien Incremental Facilities” and (y) the First Lien Incremental Revolving Commitment together with the Incremental Term Facilities, the “Incremental Facilities”) under the First Lien Credit Agreement. The First Lien Incremental Revolving Commitment shall be established as an increase to the existing Revolving Commitments pursuant to Section 2.20 of the First Lien Credit Agreement and shall have the same terms as the existing Revolving Commitments under the First Lien Credit Agreement.

As used herein, the term “Transactions” means the Acquisition, the entering into of this Commitment Letter, the entering into of the Incremental Facilities and the initial borrowings thereunder, the Equity Contribution and the payments of fees, commissions and expenses in connection with the foregoing. The date of consummation of the Transactions is referred to herein as the “Closing Date.”

1. Commitments.

You have requested that the Commitment Parties commit to provide the First Lien Incremental Term Loan Facility and the Commitment Parties agree to structure, arrange and syndicate the First Lien Incremental Term Loan Facility. Royal Bank is pleased to advise you of its commitment to provide 60% of the First Lien Incremental Term Loan Facility and DBNY is pleased to advise you of its commitment to provide 40% of the First Lien Incremental Term Loan Facility, in each case, upon the terms described in the First Lien Incremental Facility Term Sheet, and subject solely to the Specified Conditions (defined below). Each of Royal Bank and DBNY in the foregoing capacities, are referred to individually as a “First Lien Incremental Term Initial Lender” and, collectively, as the “First Lien Incremental Term Initial Lenders”. Each commitment by a First Lien Incremental Term Initial Lender shall be several and not joint with the commitments of each other First Lien Incremental Term Initial Lender.
You have requested that the Commitment Parties commit to provide the First Lien Incremental Revolving Commitment. Royal Bank is pleased to advise you of its commitment to provide 60% of the First Lien Incremental Revolving Commitment and DBNY is pleased to advise you of its commitment to provide 40% of the First Lien Incremental Revolving Commitment, with the commitment increase subject solely to the Specified Conditions (defined below). Each of Royal Bank and DBNY in the foregoing capacities, are referred to individually as a “First Lien Incremental Revolving Initial Lender” and, collectively, as the “First Lien Incremental Revolving Initial Lenders”. The First Lien Incremental Revolving Initial Lenders and the First Lien Incremental Term Initial Lenders are referred to individually as a “First Lien Incremental Initial Lender” and, collectively, as the “First Lien Incremental Initial Lenders”. Each commitment by a First Lien Incremental Revolving Initial Lender shall be several and not joint with the commitments of each other First Lien Incremental Revolving Initial Lender.

You have requested that Commitment Parties commit to provide the Second Lien Incremental Term Loan Facility and the Commitment Parties agree to structure, arrange and syndicate the Second Lien Incremental Term Loan Facility. Royal Bank is pleased to advise you of its commitment to provide 60% of the Second Lien Incremental Term Loan Facility and DBNY is pleased to advise you of its commitment to provide 40% of the Second Lien Incremental Term Loan Facility, in each case, upon the terms described in the Second Lien Incremental Facility Term Sheet, and subject solely to the Specified Conditions (defined below). Each of Royal Bank and DBNY in the foregoing capacities, are referred to individually as a “Second Lien Incremental Initial Lender” and, collectively, as the “Second Lien Incremental Initial Lenders”. The Second Lien Incremental Initial Lenders and the First Lien Incremental Initial Lender are referred to individually as an “Initial Incremental Lender” and, collectively, as the “Initial Incremental Lenders”. Each commitment by a Second Lien Incremental Term Initial Lender shall be several and not joint with the commitments of each other Second Lien Incremental Term Initial Lender.

2. Titles and Roles; Syndication; Allocations.

It is agreed that (i) RBCCM and DBSI will act as the arrangers and bookmanagers for the First Lien Incremental Term Loan Facility and the First Lien Incremental Revolving Commitment (in such capacity, each a “First Lien Incremental Arranger” and, collectively, the “First Lien Incremental Arrangers”), and, in consultation with you, will exclusively manage the syndication of the First Lien Incremental Term Loan Facility and DBNY is pleased to advise you of its commitment to provide 40% of the Second Lien Incremental Term Loan Facility, in each case, upon the terms described in the Second Lien Incremental Facility Term Sheet, and subject solely to the Specified Conditions (defined below). Each of Royal Bank and DBNY in the foregoing capacities, are referred to individually as a “Second Lien Incremental Initial Lender” and, collectively, as the “Second Lien Incremental Initial Lenders”. The Second Lien Incremental Initial Lenders and the First Lien Incremental Initial Lender are referred to individually as an “Initial Incremental Lender” and, collectively, as the “Initial Incremental Lenders”. Each commitment by a Second Lien Incremental Term Initial Lender shall be several and not joint with the commitments of each other Second Lien Incremental Term Initial Lender.

It is agreed that (i) RBCCM and DBSI will act as the arrangers and bookmanagers for the First Lien Incremental Term Loan Facility and the First Lien Incremental Revolving Commitment (in such capacity, each a “First Lien Incremental Arranger” and, collectively, the “First Lien Incremental Arrangers”), and, in consultation with you, will exclusively manage the syndication of the First Lien Incremental Term Loan Facility as more fully described below, and will, in such capacities, exclusively perform the duties and exercise the authority customarily associated with such roles, and (ii) RBCCM and DBSI will act as the arrangers and bookmanagers for the Second Lien Incremental Term Loan Facility (in such capacity, each a “Second Lien Incremental Arranger” and, collectively, the “Second Lien Incremental Arrangers”), and, in consultation with you, will exclusively manage the syndication of the Second Lien Incremental Term Loan Facility as more fully described below, and will, in such capacities, exclusively perform the duties and exercise the authority customarily associated with such roles. The First Lien Incremental Arrangers and the Second Lien Incremental Arrangers are collectively referred to herein as the “Incremental Arrangers”. It is further agreed that Royal Bank will have “left lead” placement in any and all marketing materials or other documentation used in connection with the Incremental Facilities and shall hold the leading role and responsibilities conventionally associated with such “left lead” placement, including maintaining sole “physical books” in respect of the Incremental Facilities. It is further agreed that, subject to the following sentence, no additional agents, co-agents, arrangers or bookmanagers will be appointed and no person will receive compensation with respect to any of the Incremental Facilities in order to obtain its commitment to participate in the Incremental Facilities, outside the terms contained in this Commitment Letter and the fee letter of even date between you and the Commitment Parties providing, among other things, for certain fees relating to the Incremental Facilities (the “Fee Letter”), in each case unless you and we so agree. Notwithstanding the foregoing, you may, on or prior to the date that is 15 business days after the date of this Commitment Letter, appoint additional agents, co-agents or arrangers (any such person, an “Additional Committing Incremental Lender”) or confer other titles in respect of the Incremental Facilities in a manner
and with economics determined by you in consultation with the Incremental Arrangers (it being understood that, to the extent you appoint Additional Committing Incremental Lenders or confer other titles in respect of the Incremental Facilities, (x) each such Additional Committing Incremental Lender will assume a portion of the commitments in respect of the Incremental Facilities on a pro rata basis (and the commitments of the Initial Incremental Lenders with respect to such portion will be reduced ratably), (y) in such event (i) RBCCM will have “left lead” placement in any and all marketing materials or other documentation used in connection with the First Lien Incremental Term Loan Facility and shall hold the leading role and responsibilities conventionally associated with such “left lead” placement and DBSI will be to the immediate right of RBCCM and (ii) RBCCM will have “left lead” placement in any and all marketing materials or other documentation used in connection with the Second Lien Incremental Term Loan Facility and DBSI will be to the immediate right of RBCCM, and (z) the economics allocated to the Initial Incremental Lenders in respect of the Incremental Facilities will be reduced ratably by the amount of the economics allocated to Additional Committing Incremental Lenders upon the execution by such Additional Committing Incremental Lenders of customary joinder documentation and, thereafter, each such Additional Committing Incremental Lender shall constitute a “Commitment Party” and an “Initial Incremental Lender” hereunder and under the Fee Letter); provided that (i) economics will be allocated to each such Additional Committing Incremental Lender on a pro rata basis in respect of the commitment it is assuming or on such other basis as you and we may agree, (ii) such allocations shall be pro rata across the Incremental Facilities, (iii) the Commitment Parties as of the date of this Commitment Letter shall be entitled to receive no less than 40% of the aggregate economics (including compensation) in respect of each of the Incremental Facilities and (iv) no Additional Committing Party shall have greater economics in respect of any of the Incremental Facilities than the Commitment Parties signatory hereto on the date hereof. In addition and notwithstanding anything to the contrary in this Commitment Letter or the Fee Letter, it is understood and agreed that on or prior to the date that is 20 Business Days after the date of this Commitment Letter, you shall be permitted to appoint additional banks, financial institutions or other institutional lenders and investors or other entities to receive 100% (but not less than 100%) of the economics and commitment amounts with respect to the Second Lien Term Facility without the requirement that such financial institutions commit to a ratable portion of the First Lien Facilities (the “Second Lien Giveaway”).

The Incremental Arrangers reserve the right, prior to or after the execution of the definitive loan documentation with respect to the Incremental Facilities (the “Incremental Loan Documentation”), to syndicate all or a portion of the Initial Incremental Lenders’ respective commitments to one or more institutions identified by us and reasonably acceptable (not to be unreasonably withheld, delayed or conditioned) to you that will become parties to the Incremental Loan Documentation with respect to the Incremental Facilities (together with the Initial Incremental Lenders, the “Incremental Lenders”). Notwithstanding the Incremental Arrangers’ right to syndicate the Incremental Facilities and receive commitments with respect thereto, (i) except to the extent provided in the immediately preceding paragraph with respect to the appointment of Additional Committing Incremental Lenders corresponding assumptions of commitments under the Incremental Facilities, (x) no Initial Incremental Lender will be relieved, released or novated from of all or any portion of its commitments hereunder with respect to the Incremental Facilities prior to the initial funding of the Incremental Facilities and (y) no Initial Incremental Lender may assign or transfer all or any portion of its commitments hereunder until the initial funding of the Incremental Facilities has occurred on the Closing Date and (ii) unless you agree in writing, each Initial Incremental Lender shall retain exclusive control over all rights and obligations with respect to its commitments, including all rights with respect to consents, modifications, waivers and amendments, until the initial funding of the Incremental Facilities on the Closing Date has occurred. Notwithstanding the foregoing, no Commitment Party shall syndicate, reallocate, participate or assign any portion of a commitment hereunder or any Loans in respect of the Incremental Facilities to Disqualified Institutions (as defined in the Credit Agreements); provided that, if a person is designated or becomes a Disqualified Institution after the date hereof, such event shall not apply retroactively to disqualify any person that has previously acquired an assignment or participation in a loan or commitment under the Incremental Facilities in accordance with the terms thereof.
The Incremental Arrangers will manage all aspects of the syndication of the Incremental Facilities in consultation with you, including selection of additional Incremental Lenders (with your consent not to be unreasonably withheld, delayed or conditioned and, in any case, excluding Disqualified Institutions), determination of when the Incremental Arrangers will approach potential additional Incremental Lenders, awarding of any naming rights (subject to naming rights for Additional Committing Incremental Lenders as outlined above) and the final allocations of the commitments in respect of the Incremental Facilities among the additional Incremental Lenders. The Incremental Arrangers intend to commence syndication efforts promptly and you agree to assist, to cause Sponsor (as defined in the Credit Agreements) and Borrowers to assist, and to use commercially reasonable efforts to cause the Company to assist (only to the extent required by the Acquisition Agreement) the Incremental Arrangers in the syndication of the Incremental Facilities that is reasonably satisfactory to the Incremental Arrangers and you until the date that is the earlier of (a) 20 days after the Closing Date and (b) the date on which a Successful Syndication (as defined in the Fee Letter) is achieved (such date, the “Syndication Date”). To assist the Incremental Arrangers in their syndication efforts, you agree that, until the Syndication Date, you will (a) promptly prepare and provide, and use commercially reasonable efforts to cause the Company to provide (only to the extent required by the Acquisition Agreement), all information as we may reasonably request with respect to you, the Company, your and its respective subsidiaries and the Transactions, including but not limited to financial projections of the Company (the “Projections”), (b) use commercially reasonable efforts to ensure that such syndication efforts benefit from the existing lending relationships of the Sponsor and the Borrowers, (c) make available appropriate members of your and the Sponsor’s senior management, and use commercially reasonable efforts to cause the Company to make available (only to the extent provided in the Acquisition Agreement) appropriate management representatives of the Company, to prospective Incremental Lenders and prospective rating agencies, at times and locations to be mutually agreed upon, (d) host, with the Incremental Arrangers, one “bank meeting” with prospective Incremental Lenders under the Incremental Facilities (and additional bank meetings only if reasonably deemed necessary by the Incremental Arrangers) at reasonable times, dates and locations to be mutually agreed upon, (e) assist (and use commercially reasonable efforts to cause the Company to assist (only to the extent provided in the Acquisition Agreement)) the Incremental Arrangers in the preparation of one or more customary confidential information memoranda (the “Confidential Information Memoranda”) and other customary marketing materials to be used in connection with the syndication of the Incremental Facilities, and (f) use commercially reasonable efforts to obtain, prior to launch of general syndication of the Incremental Facilities, affirmation of monitored public corporate credit/family ratings of the Borrowers (but not any specific ratings) (after giving effect to the Incremental Facilities and the incurrence of the Incremental Term Loans) and ratings of the Incremental Facilities from each of Moody’s Investors Service (“Moody’s”), Standard & Poor’s Ratings Group (“S&P”) and Fitch Ratings, Inc. (“Fitch” and, together with the ratings from Moody’s and S&P, collectively, the “Ratings”), and participate (and to use commercially reasonable efforts to cause the Company to participate (only to the extent provided in the Acquisition Agreement)) in the process of securing such ratings. For the avoidance of doubt (but without limiting your agreement to assist with syndication efforts as set forth herein), none of the foregoing, and neither the commencement nor the completion of the syndication of the Incremental Facilities, shall constitute a condition to the commitments of the Commitment Parties hereunder or the funding of the Incremental Facilities, in each case on the Closing Date. Notwithstanding anything to the contrary in the foregoing, (i) you will not be required to provide any information to the extent that provisions thereof would violate any attorney client privilege, law, rule or regulation or any obligation of confidentiality on you, the Company or any of your or its affiliates (provided that in the event that you do not provide information in reliance on the exclusions in this clause (i), you shall use your commercially reasonable efforts to provide notice to the Incremental Arrangers promptly upon obtaining knowledge that such information is being withheld) and shall use your commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions and (ii) the only financial information that shall be required to be provided to the Commitment Parties as a condition precedent to the initial funding of the Incremental Facilities, shall be the financial statements required to be delivered pursuant to paragraph 5 of Annex III.
You agree to prepare or cause to be prepared a version of the information package and presentation and other marketing materials to be used in connection with the syndication of the Incremental Facilities, in each case, consisting exclusively of information, materials and documentation that is either (i) publicly available, or would be publicly available if you were a public reporting company, or (ii) not material with respect to Holdings or its affiliates, or the Company or its subsidiaries, or any of their securities for purposes of United States federal and state securities laws, in the case of Holdings, if you were a public reporting company (such information “Public Information”). At the request of the Incremental Arrangers, you will identify and conspicuously mark any information, materials and documentation which contain only Public Information and are to be disseminated to Incremental Lenders as “PUBLIC”. You agree, in connection with your assistance described above, a customary authorization letter will be included in each Confidential Information Memoranda that (i) authorizes distribution of such Confidential Information Memoranda to Incremental Lenders’ employees willing to receive material non-public information (if applicable), (ii) authorizes distribution of such Confidential Information Memoranda not containing any material non-public information and represent that such Confidential Information Memoranda do not contain any information that is not Public Information (if applicable), and (iii) provides a customary representation as to the accuracy of such Confidential Information Memorandum, and each Confidential Information Memoranda shall exculpate you, the Sponsor, the Borrowers, the Company, your and their respective affiliates and the Incremental Arrangers and their respective affiliates with respect to any liability related to the use of the contents of such Confidential Information Memorandum or any related marketing material by the recipients thereof. The Incremental Arrangers shall treat all information that is not specifically identified as “PUBLIC” as being suitable only for posting only to private-side Incremental Lenders. By marking any documents, information or other data “PUBLIC”, you shall be deemed to have authorized the Incremental Arrangers and the Incremental Lenders to treat such documents, information or other data as not containing any information that is not Public Information when making such materials available to prospective Incremental Lenders.

You agree that the Incremental Arrangers may make available an information package and presentation to the proposed syndicate of Incremental Lenders for dissemination in accordance with the Incremental Arrangers’ standard syndication practice (including by emails and/or by posting the information package and presentation on IntraLinks, SyndTrak, DebtX, DebtDomain or another similar electronic system). You authorize and will use your commercially reasonable efforts to obtain authorizations for the use of your and the Company’s (but, prior to the consummation of the Acquisition, only to the extent provided in the Acquisition Agreement) respective logos in connection with any such dissemination of such information package and presentation as described above. You acknowledge and agree that the following documents do not contain any information that is not Public Information to the extent you shall have been given a reasonable opportunity to review such documents and not notified us that such document contains private information: (a) administrative materials prepared by the Incremental Arrangers for prospective Incremental Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda), (b) term sheets and drafts that are not marked confidential and final definitive documentation with respect to the Incremental Facilities; provided that, for the avoidance of doubt, no such term sheets may be distributed to any potential Incremental Lenders unless you have approved such distribution, and (c) notification of changes in the previously disclosed terms of the Incremental Facilities.

3. Information.

You hereby represent and warrant (to your knowledge, with respect to information relating to the Company) that (a) all written information (other than the Projections, forward looking statements and general economic or industry specific information) that has been or will be made available to us or any of the Incremental Lenders by you, the Borrowers, the Company, or any of your or its respective
representatives in connection with the Transactions for use in evaluating the Transactions (the “Information”), when taken as a whole, is and will be, when furnished, complete and correct in all material respects and does not and when furnished, will not, when taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which such statements are made, not materially misleading (after giving effect to all supplements and updates provided thereto from time to time) and (b) the Projections and forward looking statements that have been or will be made available to us or any of the Incremental Lenders by you, the Borrowers, Sponsor or any of your or their respective representatives in connection with the Transactions for use in evaluating the Transactions have been and will be prepared in good faith based upon assumptions believed by you to be reasonable at the time made and when furnished (it being understood that projections by their nature are inherently uncertain and are not a guarantee of financial performance, the results reflected in the Projections may not be achieved and actual results may differ from projections and such differences may be material). You agree that if at any time prior to the later of the Closing Date and the Syndication Date, you become aware that any of the representations in the preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly supplement, or cause to be supplemented, the Information and Projections so that such representations will be correct in all material respects at such time. For the avoidance of doubt, the accuracy of the foregoing representations shall not be a condition to our obligations hereunder or the funding of the Incremental Facilities on the Closing Date. In issuing the commitments hereunder and in arranging and syndicating the Incremental Facilities, you acknowledge that we are and will be using and relying on the Information without independent verification thereof and we do not assume responsibility for the accuracy and completeness of the Information or the Projections.


As consideration for the commitments of the Initial Incremental Lenders hereunder with respect to the Incremental Facilities and the agreement of the Incremental Arrangers to structure, arrange and syndicate the Incremental Facilities, you agree to pay, or cause to be paid, the fees set forth in the Term Sheets and the Fee Letter, to the extent and at the time or times earned and payable, as provided for in the Term Sheets or the Fee Letter, as applicable. Once paid, such fees shall not be refundable under any circumstances.

5. Conditions.

The commitments of the Initial Incremental Lenders hereunder with respect to the Incremental Facilities and the Incremental Arrangers’ agreement to perform the services described herein are conditioned solely upon the following (the “Specified Conditions”): (i) since the date of the Acquisition Agreement, there shall not have occurred any Material Adverse Effect (as defined in the Acquisition Agreement as in effect on the date hereof) and (ii) all the conditions set forth in Annex III hereto (the “Conditions Annex”) shall have been satisfied or waived by the Commitment Parties; it being understood that there are no conditions (implied or otherwise) to the commitments hereunder (including compliance with the terms of the Commitment Letter, the Fee Letter, the Credit Agreements or the other Loan Documents) other than the Specified Conditions (and upon satisfaction or waiver of the Specified Conditions, the initial funding under the Incremental Facilities shall occur).

Notwithstanding anything in this Commitment Letter, the Fee Letter, the Loan Documents or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) the only representations and warranties the making of which shall be a condition to availability of the Incremental Facilities on the Closing Date shall be (A) such of the representations and warranties made by (or with respect to) the Company or its subsidiaries in the Acquisition Agreement that are material to the
interests of the Incremental Lenders (in their capacity as such), but only to the extent that you (or any of your or its affiliates) has the right not to consummate the Acquisition or to terminate your (and all of your affiliates’) obligations under the Acquisition Agreement as a result of a breach or inaccuracy of such representations and warranties in the Acquisition Agreement (such representations and warranties, but only to such extent, the “Acquisition Agreement Representations”) and (B) solely with respect to the Acquisition Sub and its subsidiaries, the Specified Representations (as defined below) and (ii) the terms of the Loan Documents shall be in a form such that they do not impair availability of the Incremental Facilities on the Closing Date if all of the Specified Conditions are satisfied; it being understood that the commitments in respect of the Incremental Facilities shall benefit from the same guaranties and security as the applicable Loan Documents and with respect to the Acquisition Sub: (x) other than with respect to any UCC Filing Collateral and Stock Certificates (each as defined below) of the Acquisition Sub and its subsidiaries, to the extent any security interest in the Collateral (as defined in the First Lien Credit Agreement and the Second Lien Credit Agreement, as applicable) is not perfected on the Closing Date after your use of commercially reasonable efforts to do so and without undue burden or expense, the perfection of such security interests shall not constitute a condition precedent to the availability of the Incremental Facilities on the Closing Date but may instead be required to be perfected after the Closing Date pursuant to Sections 5.10 and 5.11 of the Credit Agreements or pursuant to arrangements and timing to be mutually agreed by the parties hereto acting reasonably (but in any event no later than 90 days following the Closing Date, subject to extensions granted by the Collateral Agent (as defined in the First Lien Credit Agreement, the “First Lien Agent”) and the Collateral Agent (as defined in the Second Lien Credit Agreement, the “Second Lien Agent”)), (y) with respect to perfection of security interests in UCC Filing Collateral of the Acquisition Sub and its subsidiaries, you shall only be obligated to deliver, or cause to be delivered, on or prior to the Closing Date, necessary UCC financing statements to the First Lien Collateral Agent and the Second Lien Collateral Agent and to irrevocably authorize, and to cause the applicable guarantors to irrevocably authorize, each of the First Lien Collateral Agent and the Second Lien Collateral Agent to file necessary UCC financing statements, and (z) with respect to perfection of security interests in Stock Certificates of the Acquisition Sub and its subsidiaries, you shall only be obligated to deliver to the First Lien Collateral Agent or prior to the Closing Date Stock Certificates together with undated stock powers in blank: provided that Stock Certificates together with undated stock powers executed in blank of the Acquisition Sub and its subsidiaries will only be delivered on the Closing Date to the extent received by the Borrowers after your use of commercially reasonable efforts to do so, and to the extent not so received by the Closing Date, the provision and/or perfection of such security interests in such Stock Certificates shall not constitute a condition precedent to the availability of the Incremental Facilities on the Closing Date, but shall be required to be provided and/or perfected within 15 business days after the Closing Date (and in any event, in the case of the pledge of and perfection of security interests in Collateral not otherwise required on the Closing Date, subject to extensions granted by the First Lien Collateral Agent in its reasonable discretion). For purposes hereof, (1) “Specified Representations” means the representations and warranties of solely the Acquisition Sub and its subsidiaries that become guarantors under the Credit Agreements as to due organization, organizational power and authority (as to execution, delivery and performance of the applicable Loan Documents), the due authorization, execution, delivery and enforceability of the applicable Loan Documents, such Loan Documents not conflicting with charter documents or material applicable law, solvency (to be determined in accordance with the Credit Agreements), Federal Reserve margin regulations, Investment Company Act, the use of proceeds of the Incremental Facilities not violating the Patriot Act, OFAC or FCPA and the creation, validity, priority and perfection of security interests (subject to permitted liens and the limits set forth in the preceding sentence), (2) “UCC Filing Collateral” means Collateral, excluding Stock Certificates, consisting solely of assets in which a security interest can be perfected by filing a Uniform Commercial Code financing statement and (3) “Stock Certificates” means Collateral consisting of certificated equity interests representing capital stock (or other equivalent equity interests) of the Borrowers and their material U.S. subsidiaries required as Collateral pursuant to the Term Sheets for which a security interest can be perfected by delivering such stock certificates. Without limiting the conditions precedent set forth herein to funding, the Commitment Parties will cooperate with you as reasonably requested in coordinating the timing and procedures for the funding of the Incremental Facilities in a manner consistent with the Acquisition Agreement. The provisions of this paragraph shall be referred to herein as the “Certain Funds Provisions.”
6. Clear Market

From the date of this Commitment Letter until the Syndication Date, you will (x) ensure that no debt financing for Holdings or any of its subsidiaries and, (y) use commercially reasonable efforts to ensure that no debt financing for the Company, is announced, syndicated or placed without the prior written consent of the Incremental Arrangers (such consent not to be unreasonably withheld, delayed or conditioned) if such financing, syndication or placement could be reasonably expected to have a materially detrimental effect upon the syndication of the Incremental Facilities hereunder (it is understood that your, the Company’s and your and its respective subsidiaries’ deferred purchase price obligations and purchase money and equipment financings will not materially impair the primary syndication of the Incremental Facilities). The foregoing shall not apply to (i) the Incremental Facilities (or the Second Lien Giveaway), (ii) Indebtedness (as defined in the First Lien Credit Agreement) under the First Lien Credit Agreement, (iii) Indebtedness (as defined in the Second Lien Credit Agreement) under the Second Lien Credit Agreement, (iv) to the extent permitted under the Credit Agreements, any indebtedness to remain outstanding after the Closing Date (including, but not limited to, ordinary course capital leases, letters of credit and purchase money and equipment financings), and (v) to the extent permitted under the Credit Agreements, any indebtedness permitted to remain outstanding or to be incurred by the Company after the date of this Commitment Letter but prior to the Closing Date under the Acquisition Agreement, including, but not limited to, ordinary course working capital facilities (and extensions, refinancings and renewals thereof prior to the Closing Date to the extent permitted under the Acquisition Agreement).

7. Indemnity and Expenses

By your acceptance below, you hereby agree to indemnify and hold harmless each Commitment Party and its respective affiliates (including, without limitation, controlling persons) and the directors, officers, employees, members, partners, successors, advisors, agents and representatives of the foregoing (each, an “Indemnified Person”) from and against any and all losses, claims, costs, expenses, damages or liabilities (or actions or other proceedings (each an “Action”) commenced or threatened in respect thereof) joint or several, that arise out of or in connection with this Commitment Letter, the Fee Letter, the Incremental Facilities, the Incremental Loan Documentation or any of the Transactions or the providing or syndication of the Incremental Facilities (or the actual or proposed use of the proceeds thereof), and to reimburse each Indemnified Person promptly after receipt of written demand together with customary backup documentation for any reasonable and documented out-of-pocket legal or other expenses (such legal expense to be limited (absent an actual or potential conflict of interest) to one outside counsel for all Indemnified Persons (and reasonably necessary local counsel)) incurred in connection with investigating, preparing to defend or defending against, or participating in, any such loss, claim, cost, expense, damage, liability or action or other proceeding; provided that any such obligation to indemnify, hold harmless and reimburse an Indemnified Person shall not be applicable (i) to the extent determined by a final, non-appealable judgment of a court of competent jurisdiction to have resulted (x) from the gross negligence, bad faith or willful misconduct of such Indemnified Person or any Related Person (as defined below) of such Indemnified Person or (y) from such Indemnified Person’s (or Related Person’s) material breach of this Commitment Letter or (ii) to the extent arising from any dispute solely among Indemnified Persons other than (x) any claims against any Commitment Party or any of its affiliates in its capacity or in fulfilling its role as arranger or an agent, arranger or any similar role under any Facility and (y) any claims to the extent arising from any act or omission on the part of you, the Borrowers or your affiliates or the Company or its affiliates. In the case of an investigation, action or proceeding to which the indemnity in this paragraph applies, such indemnity and reimbursement obligations shall be effective whether or not such investigation,
action or proceeding is brought by you, the Borrowers, your equity holders or creditors or an Indemnified Person or any other person, whether or not an
Indemnified Person is otherwise a party thereto and whether or not any aspect of this Commitment Letter, the Fee Letter, the Incremental Facilities or
any of the Transactions is consummated. You also agree that no Indemnified Person shall have any liability (whether direct or indirect, in contract, tort,
equity or otherwise) to you, the Borrowers, other subsidiaries or affiliates or to your or their respective equity holders or creditors or any other person
arising out of, related to or in connection with any aspect of this Commitment Letter, the Fee Letter, the Incremental Facilities or any of the
Transactions, except to the extent of direct (as opposed to special, indirect, consequential or punitive) damages determined in a final non-appealable
judgment by a court of competent jurisdiction to have resulted from such Indemnified Person’s gross negligence, bad faith or willful misconduct. You,
the Sponsor, the Borrowers, the Company and your or their respective affiliates shall have no liability for special, indirect, consequential or punitive
damages (provided that this provision shall not limit your indemnification obligations set forth herein to the extent that such special, indirect,
consequential or punitive damages are included in an Action by a third party unaffiliated with any of the Indemnified Persons with respect to which the
applicable Indemnified Person is entitled to indemnification as set forth herein). It is further agreed that each Commitment Party shall have liability only
to you (as opposed to any other person), and that each Incremental Lender, as applicable, shall be liable in respect of its own commitment to the
Incremental Facilities solely on a several, and not joint, basis with any other Incremental Lender. Notwithstanding any other provision of this
Commitment Letter, no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained
through electronic telecommunications or other information transmission systems, other than for direct or actual damages resulting from the gross
negligence, bad faith or willful misconduct of such Indemnified Person as determined by a final and non-appealable judgment of a court of competent
jurisdiction. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld, conditioned or
delayed), effect any settlement of any pending or threatened proceeding in respect of which such indemnity could have been sought hereunder by such
Indemnified Person, unless such settlement (i) includes an unconditional release of such Indemnified Person from all liability or claims that are the
subject matter of such proceeding and (ii) does not include a statement as to or an admission of fault, culpability, or a failure to act by or on behalf of
such Indemnified Person. You shall not be liable for any settlement of any Action effected without your consent (which consent shall not be
unreasonably withheld or delayed), but if settled with your written consent or if there is a judgment against an Indemnified Person in any such Actions,
you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by
reason of such settlement or judgment in accordance with this section.

In addition, you hereby agree to reimburse the Commitment Parties upon the initial funding under the Incremental Facilities for all reasonable and
documented out-of-pocket costs and expenses (including, without limitation, reasonable legal fees (to be limited (absent an actual or bona fide potential
conflict of interest) to one outside counsel for the Commitment Parties and its affiliated Indemnified Persons (and reasonably necessary local counsel))
and expenses of the Commitment Parties, consulting and audit fees, and printing, reproduction, document delivery, travel, communication and publicity
costs) incurred in connection with the syndication and execution of the Incremental Facilities and the preparation, review, negotiation, execution and
delivery of this Commitment Letter, the Fee Letter and the Loan Documents, and the amendment, modification or waiver of this Commitment Letter and
the Fee Letter (or any proposed amendment, modification or waiver) (“Expenses”); provided that you shall not be required to reimburse the
Commitment Parties for Expenses in the event the Closing Date does not occur.

For purposes hereof, a “Related Person” of an Indemnified Person means (1) any controlling person or controlled affiliate of such Indemnified
Person, (2) the respective directors, officers, or employees of such Indemnified Person or any of its controlling persons or controlled affiliates and
(3) the respective agents of such Indemnified Person or any of its controlling persons or controlled affiliates, in the case of this clause (3), acting on
behalf of or at the instructions of such Indemnified Person, controlling person or such controlled affiliate; provided that each reference to a controlled
affiliate in this sentence pertains to a controlled affiliate involved in the negotiation or syndication of this Commitment Letter and the Incremental
Facilities.
8. Confidentiality.

This Commitment Letter is delivered to you upon the condition that none of this Commitment Letter or the Fee Letter or any of their respective contents or terms shall be disclosed by you or any of your affiliates, directly or indirectly, to any other person without our prior consent (not to be unreasonably withheld, conditioned or delayed), except that (i) this Commitment Letter and the Fee Letter (or their contents) may be disclosed as may be compelled in a judicial or administrative proceeding or as otherwise required by law or regulation, compulsory legal process or as requested by a governmental authority (in which case you agree to inform us promptly thereof prior to your disclosure to the extent lawfully permitted to do so), (ii) this Commitment Letter and the Fee Letter may be disclosed to Sponsor, Holdings and your and their respective affiliates, and your and their respective directors, officers, employees, legal counsel, accountants and co-investors directly involved in the consideration of this matter, in each case on a confidential and “need-to-know” basis and only in connection with the Transactions, (iii) this Commitment Letter and the Fee Letter may be disclosed to any potential Additional Committing Incremental Lender or to any potential provider of the Second Lien Giveaway, (iv) this Commitment Letter and a redacted version of the Fee Letter (with such redaction to be reasonably acceptable to the Incremental Arrangers) may be disclosed to the Company and its directors, officers, employees, advisors and agents, in each case on a confidential and “need-to-know” basis and only in connection with the Transactions, (v) this Commitment Letter (but not the Fee Letter) may be disclosed to Moody’s, S&P and Fitch in connection with obtaining the Ratings, (vi) you may disclose this Commitment Letter (but not the Fee Letter) to the extent information contained herein becomes publicly available other than by reason of an improper disclosure by you in violation of any confidentiality obligations hereunder, (vii) you may disclose the Term Sheets in any syndication or other marketing materials in connection with the Incremental Facilities, (viii) you may disclose the aggregate fee amounts contained in the Fee Letter as part of projections, pro forma information or a disclosure of aggregate sources and uses provided in connection with the Transaction, (ix) the Commitment Letter (but not the Fee Letter) may be disclosed in connection with any public filing requirement related to the Transactions, and (x) this Commitment Letter and the Fee Letter may be disclosed as necessary to enforce the terms of this Commitment Letter or in connection with any suit, action or proceeding relating to this Commitment Letter, Fee Letter or the transactions contemplated thereby.

Each Commitment Party, on behalf of itself and its affiliates and other Related Persons, agrees that it will use all confidential information provided to it or its affiliates by or on behalf of you hereunder solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information; provided that nothing herein shall prevent a Commitment Party from disclosing any such information (a) pursuant to any legal, judicial, administrative proceeding or other compulsory process or otherwise as required by applicable law or regulation or as requested by a governmental authority (in which case such Commitment Party, to the extent permitted by law and except with respect to any audit or examination conducted by bank accountants or any governmental authority exercising examination or regulatory authority, agrees to inform you promptly thereof), (b) upon the request or demand of any regulatory (including self-regulatory) authority having jurisdiction over such Commitment Party or any of its affiliates, (c) to the extent that such information becomes publicly available other than by reason of disclosure by such Commitment Party in violation of this paragraph, (d) to the extent that such information is received by such Commitment Party from a third party that is not to such Commitment Party’s knowledge subject to confidentiality obligations to the Borrowers, Holdings or their
Subsidiaries, (e) to the extent that such information is independently developed by such Commitment Party, (f) to such Commitment Party’s affiliates and to such Commitment Party’s and its affiliates’ respective members, directors, investment or capital or similar committees, employees, legal counsel, independent auditors, service providers and other experts or agents who need to know such information in connection with the Transactions and are informed of the confidential nature of such information, (g) to prospective Incremental Lenders, participants or assignees or any potential counterparty (or its advisors) to any swap or derivative transaction relating to the Borrowers or any of their subsidiaries or any of their respective obligations, provided that such disclosure shall be made subject to the acknowledgment and acceptance by such prospective Incremental Lender, participant, assignee or potential counterparty on behalf of itself and its advisors, that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and such Commitment Party, including, without limitation, as set forth in any confidential information memorandum or other marketing materials) in accordance with the standard syndication process of such Commitment Party or market standards for dissemination of such type of information which shall in any event require “click through” or other affirmative action on the part of the recipient to access such confidential information, (h) for purposes of establishing a “due diligence” defense, (i) in connection with the exercise of any remedy or enforcement of any right under this Commitment Letter, the Fee Letter and/or any Loan Document, (j) to the extent independently developed by us or any of our affiliates, (k) to the extent that such information is received by us or any of our affiliates from a third party that is not known by us or such affiliate to be subject to confidentiality obligations to you, Sponsor, the Borrowers, the Company, or your or their respective affiliates, (l) to ratings agencies or (m) to market data collectors, similar service providers to the lending industry, and service providers to such Commitment Party in connection with the administration and management of the Incremental Facilities. Our obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the applicable Credit Agreement upon the execution and delivery thereof and in any event will automatically terminate two years following the date of this Commitment Letter.

9. Other Services.

You acknowledge and agree that we and/or our affiliates may be requested to provide additional services with respect to the Sponsor, Holdings the Company and/or their respective affiliates or other matters contemplated hereby. Any such services will be set out in and governed by a separate agreement(s) (containing terms relating, without limitation, to services, fees and indemnification) in form and substance satisfactory to the parties thereto. Nothing in this Commitment Letter is intended to obligate or commit us or any of our affiliates to provide any services other than as set out herein.

10. Conflicts of Interest.

You acknowledge that we may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein or otherwise. We will not furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or our other relationships with you to other companies. You also acknowledge that we do not have any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by us from other companies.

You further acknowledge and agree that (a) each Commitment Party will act as an independent contractor and no fiduciary, advisory or agency relationship between you and us is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether we have advised or are advising you on other matters, (b) each Commitment Party is acting solely as a principal and not as an agent of yours hereunder and such Commitment Party, on the one hand, and
you, on the other hand, have an arm’s-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of us in connection with the transactions contemplated by this Commitment Letter, (c) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that we are engaged in a broad range of transactions that may involve interests that differ from your interests and that we do not have any obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship in connection with the transactions contemplated by this Commitment Letter and (e) you waive, to the fullest extent permitted by law, any claims you may have against us for breach of fiduciary duty or alleged breach of fiduciary duty and agree that we shall not have any liability (whether direct or indirect) to you in respect of such a fiduciary duty in connection with the transactions contemplated by this Commitment Letter claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors.

You further acknowledge that we are a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, we may provide investment banking and other financial services to, and/or acquire, hold or sell, for our own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, you, the Borrowers, the Company and their subsidiaries and other companies with which you, the Borrowers or the Company or its subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by us, or any of our customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

11. No Fiduciary Relationship

You hereby acknowledge that we are acting solely as agent, lender, bookrunner or arranger, as applicable, in connection with the Incremental Facilities. You further acknowledge that we are acting pursuant to a contractual relationship created by this Commitment Letter that was entered into on an arm’s length basis and in no event do the parties intend that any of us act or be responsible as a fiduciary to you or any of your subsidiaries, your stockholders or creditors or any other person in connection with any activity that we may undertake or have undertaken in furtherance of the Incremental Facilities, either before or after the date of this Commitment Letter. We hereby expressly disclaim any fiduciary or similar obligations to any such person, either in connection with the Incremental Facilities or this Commitment Letter or any matters leading up to either, and you hereby confirm your understanding and agreement to that effect. Each of you and we agree that you and we are each responsible for making our own independent judgments with respect to the Incremental Facilities, and that any opinions or views expressed by us to you regarding the Transactions, including but not limited to any opinions or views with respect to the price or market for your, or your subsidiaries’ debt, do not constitute advice or recommendations to you or any of your subsidiaries. You, on behalf of yourself and your subsidiaries, hereby waive and release, to the fullest extent permitted by law, any claims that you, the Borrowers or any of your other subsidiaries may have against us with respect to any breach or alleged breach of any fiduciary or similar duty in connection with the Transactions or any matters leading up to the execution of this Commitment Letter or the Loan Documents.


This Commitment Letter and the commitment of the Incremental Lenders shall not be assignable by you without our prior written consent, and any purported assignment without such consent shall be void. We reserve the right to employ the services of our affiliates in providing services contemplated by this Commitment Letter (it being understood that we will not thereby be relieved of any of our obligations.
hereunder with respect to such services prior to the initial funding under the Incremental Facilities) and to allocate, in whole or in part, to our affiliates certain fees payable to us in such manner as we and our affiliates may agree in our sole discretion. You further acknowledge that we, subject to the section entitled “Confidentiality” above, may share with any of our affiliates, and such affiliates may share with us, any information related to Holdings, the Company, or any of their respective subsidiaries or affiliates (including, without limitation, information relating to creditworthiness) and the Transactions. We agree to treat, and cause any such affiliate to treat, all nonpublic information provided to us by you as confidential information in accordance with section 8 of this Commitment Letter.

This Commitment Letter and the Fee Letter constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. No party has been authorized by any Commitment Party to make any oral or written statements or agreements that are inconsistent with this Commitment Letter and the Fee Letter. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by us and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Commitment Letter. Heads are for convenience of reference only and shall not affect the construction of, or be taken into consideration when interpreting, this Commitment Letter. This Commitment Letter is intended to be for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, and may not be relied on by, any persons other than the parties hereto, the Incremental Lenders, and, with respect to the indemnification provided under the heading “Indemnity and Expenses,” each Indemnified Person.

This Commitment Letter shall be governed by, and construed in accordance with, the laws of the State of New York; provided, however, that (a) the interpretation of the definition of Material Adverse Effect (as defined in the Acquisition Agreement as in effect on the date of this Commitment Letter) (and whether or not a Material Adverse Effect (as defined in the Acquisition Agreement as in effect on the date of this Commitment Letter) has occurred, including, for purposes of the conditions to the availability of the Incremental Facilities), (b) the determination of the accuracy of any Acquisition Agreement Representations and whether as a result of any breach of any Acquisition Agreement Representation you have a right to terminate your obligations under the Acquisition Agreement, or to decline to consummate the Acquisition pursuant to the Acquisition Agreement and (c) the determination of whether the Acquisition has been consummated in accordance with the terms of the Acquisition Agreement shall, in each case, be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule that would cause the application of laws of any other jurisdiction.

ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR ACTION ARISING OUT OF THIS COMMITMENT LETTER IS HEREBY WAIVED. You hereby submit to the exclusive jurisdiction of the federal and New York State courts located in New York County (and appellate courts thereof) in connection with any dispute related to this Commitment Letter, the Fee Letter or any of the matters contemplated hereby or thereby, and agree that service of any process, summons, notice or document by registered mail addressed to you shall be effective service of process against you for any suit, action or proceeding relating to any such dispute. You irrevocably and unconditionally waive any objection to the laying of such venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. Each of the parties hereto agrees that a final judgment in any such suit, action or proceeding may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

We hereby notify you that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the “Patriot Act”) and the requirements of 31 C.F.R. § 1010.230 (the “Beneficial Ownership Regulation”), we and the other Incremental Lenders may be required to obtain, verify and record information that identifies Holdings, the Borrowers, the Guarantors and the Company, which information includes the name, address and tax identification number and other information regarding them that will allow us or such Incremental Lender to identify them in accordance with the Patriot Act or the Beneficial Ownership Regulation, as applicable. This notice is given in accordance with the requirements of the Patriot Act and is effective as to us and the Incremental Lender.

Please indicate your acceptance of the terms of this Commitment Letter and the Fee Letter by returning to us executed counterparts of this Commitment Letter and the Fee Letter prior to 11:59 p.m., New York City time, on August 30, 2020 (the “Deadline”). This Commitment Letter and the commitments of the Initial Incremental Lenders hereunder and the agreement of the Incremental Arrangers to provide the services described herein are also conditioned upon your acceptance of this Commitment Letter and the Fee Letter, and our receipt of executed counterparts hereof and thereof prior to the Deadline. Upon the earliest to occur of (A) the consummation of the Acquisition, with respect to the commitments and agreements in respect of the Incremental Facilities, without the use of the Incremental Facilities, (B) the Closing Date (as defined in the Acquisition Agreement as in effect on the date hereof), (C) 5:00 p.m., New York City time, on January 5, 2021, and (D) the date of the valid termination of the Acquisition Agreement, the commitments of the Commitment Parties hereunder and the agreements of the Incremental Arrangers to provide the services described herein shall automatically terminate. The Fee Letter and the compensation, expense reimbursement, confidentiality, syndication, information, indemnification, waiver of jury trial, conflict of interest, no fiduciary relationship, jurisdiction and governing law and forum provisions in this Commitment Letter shall survive termination of any or all of the commitments of the Incremental Lenders hereunder, except that the expense reimbursement and indemnification provisions shall be superseded by the analogous provisions in the Loan Documents upon the effectiveness thereof and you shall be released from all liability in connection therewith at such time. The provisions under the headings “Titles and Roles; Syndication; Allocations,” “Clear Market,” “Indemnity and Expenses” and “No Fiduciary Relationship” above shall survive the execution and delivery of the Loan Documents. You may terminate this Commitment Letter and/or the commitments of the Initial Incremental Lenders (on a pro rata basis among the Initial Incremental Lenders) with respect to the Incremental Facilities hereunder at any time subject to the provisions of the preceding sentence.

Each of the parties hereto agrees that each of this Commitment Letter and the Fee Letter, if accepted by you as provided above, is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Loan Documents by the applicable parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitments provided hereunder are subject solely to the Specified Conditions; provided that nothing contained in this Commitment Letter or Fee Letter obligates you or any of your affiliates to consummate the Transactions or to draw upon or issue, as applicable, all or any portion of the Incremental Facilities.
We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

ROYAL BANK OF CANADA

By: /s/ Charles D. Smith
Name: Charles D. Smith
Title: Managing Director, Head of Leveraged Finance

[Signature Page to Commitment Letter]
Accepted and agreed to as of the date first written above:

CAMBIUM INTERMEDIATE HOLDINGS LLC

By: /s/ Barbara Benson
   Name: Barbara Benson
   Title: Chief Financial Officer

CAMBIUM HOLDINGS CORP.

By: /s/ Barbara Benson
   Name: Barbara Benson
   Title: Chief Financial Officer

CAMBIUM LEARNING GROUP, INC.

By: /s/ Barbara Benson
   Name: Barbara Benson
   Title: Chief Financial Officer

[Signature Page to Commitment Letter]

Holdings: Cambium Intermediate Holdings LLC (“Holdings”).

First Lien Incremental Arrangers and Bookmanagers: RBC Capital Markets and Deutsche Bank Securities Inc. (collectively, the “First Lien Incremental Arrangers”).

First Lien Incremental Lenders: A syndicate of banks, financial institutions and other entities reasonably acceptable to the Borrowers (excluding Disqualified Institutions), arranged by the First Lien Incremental Arrangers in consultation with the Borrowers (collectively, the “First Lien Incremental Lenders”).

First Lien Administrative Agent and First Lien Collateral Agent: Royal Bank of Canada (“Royal Bank”).

Type and Amount of Incremental Facility: A senior secured first lien incremental term loan B (the “First Lien Incremental Term Loan Facility”) in the amount of $425 million (subject to increase, at the Borrowers’ election, to the extent required to account for any original issue discount and/or upfront fees with respect to the First Lien Incremental Term Loan Facility required pursuant to the “market flex” provisions of the Fee Letter) (the loans thereunder, the “First Lien Incremental Term Loans”; collectively with the Initial Term Loans (as defined in the First Lien Credit Agreement) under the First Lien Credit Agreement (the “First Lien Term Loans”).

The First Lien Incremental Term Loan Facility shall be established as a new class of term loans pursuant to Section 2.20 of the First Lien Credit Agreement.

Purpose: Proceeds of the First Lien Incremental Term Loan Facility will be used on the Closing Date (i) to pay costs in connection with the Transactions, (ii) to pay the consideration in the Acquisition, and (iii) to pay the Transition Costs.

Maturity Date: The First Lien Incremental Term Loan Facility will mature on the date that is seven years from the Closing Date of the Initial Term Loans (the “First Lien Incremental Term Loan Maturity Date”).

All capitalized terms used but not defined herein shall have the meanings provided in the Commitment Letter to which this summary is attached.

Annex I -1
Availability: A single drawing may be made on the Closing Date of the full amount of the First Lien Incremental Term Loan Facility. Amounts borrowed under the First Lien Incremental Term Loan Facility that are repaid or prepaid may not be reborrowed.

Amortization: The First Lien Incremental Term Loan Facility will amortize in equal quarterly installments in annual amounts equal to 1.0% of the original principal amount of the First Lien Incremental Term Loan Facility (commencing on the last day of the first full fiscal quarter ended after the Closing Date), with the balance payable on the First Lien Incremental Term Loan Maturity Date.

Interest: At the Borrowers’ option, First Lien Incremental Term Loans will bear interest based on the Base Rate or LIBOR, as described below:

A. Base Rate Option
   As set forth in the First Lien Credit Agreement for the Initial Term Loans.

B. LIBOR Option
   As set forth in the First Lien Credit Agreement for the Initial Term Loans.

Default Interest: As set forth in the First Lien Credit Agreement for the Initial Term Loans.

Interest Margins: The applicable Interest Margin under the First Lien Incremental Term Loan Facility will be 450 basis points for LIBOR loans and 350 basis points for Base Rate loans.

LIBOR Floor: The “LIBOR” floor for the First Lien Incremental Term Loan Facility will be 1.0%.

Mandatory Prepayments: As set forth in the First Lien Credit Agreement for the Initial Term Loans.

Optional Prepayments: For the First Lien Term Loans shall be as set forth in the First Lien Credit Agreement for the Initial Term Loans.

Prepayment Premium: The Borrower shall pay a “prepayment premium” in connection with any Repricing Transaction (as defined in the First Lien Credit Agreement for the Initial Term Loans) with respect to all or any portion of the term loans under the First Lien Term Loan Facility that occurs on or before the six month anniversary of the Closing Date, in an amount equal to 1.0% of the principal amount of the term loans under the First Lien Incremental Term Loan Facility subject to such Repricing Transaction.

Application of Prepayments: For the First Lien Term Loans shall be as set forth in the First Lien Credit Agreement for the Initial Term Loans.

Annex I -2
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Conditions to Initial Borrowings</td>
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<td>Documentation</td>
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<td>Counsel:</td>
<td>Kramer Levin Naftalis &amp; Frankel LLP.</td>
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</table>

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ANNEX II

PROJECT EMPOWER
SECOND LIEN INCREMENTAL TERM LOAN FACILITY SUMMARY

SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

Borrowers: Cambium Learning Group, Inc., VKidz Holding Corp., Cambium Assessment, Inc. and Acquisition Sub (the “Borrowers”).

Holdings: Cambium Intermediate Holdings LLC (“Holdings”).

Second Lien Incremental Arrangers and Bookmanagers: RBC Capital Markets and Deutsche Bank Securities Inc. (collectively, the “Second Lien Incremental Arrangers”).

Second Lien Incremental Lenders: A syndicate of banks, financial institutions and other entities reasonably acceptable to the Borrowers (excluding Disqualified Institutions), arranged by the Second Lien Incremental Arrangers in consultation with the Borrowers (collectively, the “Second Lien Incremental Lenders”).


Type and Amount of Incremental Facility: A senior secured second lien incremental term loan B (the “Second Lien Incremental Term Loan Facility”) in the amount of $150 million (subject to increase, at the Borrowers’ election, to the extent required to account for any original issue discount and/or upfront fees with respect to the Second Lien Incremental Term Loan Facility required pursuant to the “market flex” provisions of the Fee Letter) (the loans thereunder, the “Second Lien Incremental Term Loans”; collectively with the Initial Term Loans (as defined in the Second Lien Credit Agreement) under the Second Lien Credit Agreement (the “Second Lien Term Loans”).

The Second Lien Incremental Term Loan Facility shall be established as a new class of term loans pursuant to Section 2.20 of the Second Credit Agreement.

Purpose: Proceeds of the Second Lien Incremental Term Loan Facility will be used on the Closing Date (i) to pay costs in connection with the Transactions, (ii) to pay the consideration in the Acquisition, and (iii) to pay the Transition Costs.

Maturity Date: The Second Lien Incremental Term Loan Facility will mature on the date that is eight years from the Closing Date of the Initial Term Loans (the “Second Lien Incremental Term Loan Maturity Date”). There will be no amortization.

3 All capitalized terms used but not defined herein shall have the meanings provided in the Commitment Letter to which this summary is attached.

Annex II -1
Availability: A single drawing may be made on the Closing Date of the full amount of the Second Lien Incremental Term Loan Facility. Amounts borrowed under the Second Lien Incremental Term Loan Facility that are repaid or prepaid may not be reborrowed.

Interest: At the Borrowers’ option, Second Lien Incremental Term Loans will bear interest based on the Base Rate or LIBOR, as described below (except that all swingline borrowings will accrue interest based on the Base Rate):

A. Base Rate Option
   As set forth in the Second Lien Credit Agreement for the Initial Term Loans.

B. LIBOR Option
   As set forth in the Second Lien Credit Agreement for the Initial Term Loans.

LIBOR Floor: The “LIBOR” floor for the Second Lien Incremental Term Loan Facility will be 1.0%

Default Interest: As set forth in the Second Lien Credit Agreement for the Initial Term Loans.

Interest Margins: The applicable Interest Margin under the Second Lien Incremental Term Loan Facility will be 850 basis points for LIBOR loans and 750 basis points for Base Rate loans.

Mandatory Prepayments: As set forth in the Second Lien Credit Agreement for the Initial Term Loans.

Optional Prepayments: For the Second Lien Term Loans shall be as set forth in the Second Lien Credit Agreement for the Initial Term Loans.

Prepayment Premium: Any payment in connection with a repricing, any optional prepayment (including as a result of “yank-a-bank”) or any mandatory prepayment from proceeds of the incurrence of indebtedness of the Second Lien Incremental Term Loans consummated prior to the date that is: (i) on or prior to the first anniversary of the Closing Date, shall be subject to a prepayment premium of 2.00% and (ii) after the first anniversary of the Closing Date but on or prior to the second anniversary of the Closing Date, shall be subject to a prepayment premium of 1.00%.

Application of Prepayments: For the Second Lien Term Loans shall be as set forth in the Second Lien Credit Agreement for the Initial Term Loans.

Annex II - 2
Guarantees:
Same as under the Second Lien Credit Agreement. For the avoidance of doubt, the term “Guarantor” shall have the same meaning hereunder as set forth in the Second Lien Credit Agreement.

Security:
Same as under the Second Lien Credit Agreement and subject to the Closing Date Intercreditor Agreement.

Conditions to Initial Borrowings:
Conditions precedent to initial borrowings under the Second Lien Incremental Term Loan Facility on the Closing Date shall consist solely of the Specified Conditions (subject to the Certain Funds Provisions).

Documentation:
The Second Lien Incremental Term Loan Facility will be effected pursuant to an Increase Joinder (as defined in the Second Lien Credit Agreement), duly executed by each Second Lien Incremental Lender, the Borrowers and the Second Lien Administrative Agent, which shall contain terms and conditions consistent with this Second Lien Incremental Facility Term Sheet and will not contain any condition to funding that is not expressly set forth on the Conditions Annex. The Increase Joinder, the Second Lien Credit Agreement and the existing other documentation governing the Second Lien Term Loans are collectively referred to herein as the “Loan Documents”. The Second Lien Incremental Term Loan Facility shall have the benefit of the same 50 basis points most favored nation pricing provision for the Initial Term Loan in connection with any future “incremental”, “incremental equivalent”, “pari passu ratio” and/or “pari passu acquisition” debt.

Representations and Warranties:
As set forth in the Second Lien Credit Agreement.

Affirmative Covenants:
As set forth in the Second Lien Credit Agreement.

Negative Covenants:
As set forth in the Second Lien Credit Agreement.

Financial Covenant:
None.

Events of Default:
As set forth in the Second Lien Credit Agreement.

Assignments and Participations:
As set forth in the Second Lien Credit Agreement.

Expenses and Indemnification:
As set forth in the Second Lien Credit Agreement.

Defaulting Second Lien Incremental Lenders:
As set forth in the Second Lien Credit Agreement.

Yield Protection, Taxes and Other Deductions:
As set forth in the Second Lien Credit Agreement.

Voting:
As set forth in the Second Lien Credit Agreement.

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Annex II - 4
ANNEX III

PROJECT EMPOWER
CONDITIONS TO CLOSING

The commitment of the Incremental Lenders under the Commitment Letter with respect to the funding of the Incremental Facilities are subject solely to the satisfaction or waiver of each of the conditions precedent set forth below and the other Specified Conditions, subject in each case to the Certain Funds Provisions.

1. The Acquisition Agreement Representations shall be true and correct (after giving effect to all applicable materiality qualifiers applicable thereto), and, solely with respect to the Company, the Specified Representations shall be true and correct in all material respects (or, in the case of any such Specified Representation already qualified by materiality, by “Material Adverse Change” or by “Material Adverse Effect”, true and correct in all respects).

2. On the Closing Date, no event of default under clause (a), (b), (g) or (h) of Section 8.01 of the applicable Credit Agreement shall have occurred and be continuing or would result from the Transactions.

3. The Acquisition shall be consummated substantially concurrently with the initial funding of the Incremental Facilities, in accordance with the Acquisition Agreement, without any waiver or amendment thereto, or consent granted thereunder, agreed to by Intermediate Holdings or any of its affiliates that in each case is materially adverse to the Incremental Lenders or the Incremental Arrangers (in their capacity as such) without the consent of the Commitment Parties (such consent not to be unreasonably withheld, conditioned or delayed); it being understood and agreed that none of the following are materially adverse to the Incremental Lenders or the Incremental Arrangers: (x) a reduction in the consideration payable under the Acquisition Agreement resulting from the calculation of the purchase price payable on the Closing Date and any post-closing adjustments to the Closing Date purchase price, so long as such reduction shall be applied to reduce, on a pro rata, dollar-for-dollar basis, the Equity Contribution, the Second Lien Incremental Term Loan Facility and the First Lien Incremental Term Loan Facility; provided, however, that such reduction may, at the option of the Sponsor, be applied first to reduce the Equity Contribution to the Minimum Equity Contribution Amount; and (y) an increase in such purchase price amount funded solely by (i) cash on hand (not representing proceeds of debt) and/or (ii) an increase to the Equity Contribution. For the avoidance of doubt, it is understood and agreed that any change to the definition of Material Adverse Effect (as defined in the Acquisition Agreement as in effect on the date of the Commitment Letter) shall be deemed materially adverse to the Incremental Lenders and Incremental Arrangers and shall require the consent of the Commitment Parties (not to be unreasonably withheld, delayed, or conditioned). Prior to or substantially concurrently with the funding of the borrowings under the Incremental Facilities contemplated by the Commitment Letter, Holdings shall have received the Minimum Equity Contribution Amount (provided that the Minimum Equity Contribution Amount shall not be included as a component of Available Amount Basket in the Credit Agreements).

4. To the extent not permitted to remain outstanding under the Credit Agreements, prior to, or substantially concurrently with, the initial funding under the Incremental Facilities the existing third party debt for borrowed money of the Company and its subsidiaries will be repaid and all commitments to extend credit thereunder will be terminated, and all guarantees and security interests, if any, in respect thereof terminated and discharged.
5. The Commitment Parties shall have received the following financial statements for the Company: (i) audited consolidated statements of operations and cash flows for the Company for the fiscal year ended December 31, 2019, (ii) audited consolidated balance sheets for the Company for the fiscal year ended December 31, 2019, (iii) unaudited consolidated statements of operations and cash flows and unaudited consolidated balance sheets for the Company for each fiscal quarter subsequent to December 31, 2019 (other than the fourth quarter), and ended at least 45 days prior to the Closing Date and (iv) a pro forma combined consolidated balance sheet and related pro forma combined consolidated statement of income of Holdings and its Restricted Subsidiaries (as defined in the applicable Credit Agreement) as of and for the twelve-month period ending on the latest balance sheet date described in the foregoing clause (iii), prepared after giving effect to the Acquisition and other Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the statement of income), which need not be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting (including adjustments of the type contemplated by Financial Accounting Standards Board Accounting Standards Codification 805, Business Combinations (formerly SFAS 141R)). The Commitment Parties shall be deemed to have received the financial statements described in clauses (i), (ii) and (iii) of the Company to the extent they have been filed as part of the Company’ annual report on Form 10-K or quarterly reports on Form 10-Q (or any amendment thereto) pursuant to the Securities Exchange Act of 1934.

6. The Commitment Parties shall have received the following: (a) customary legal opinions, (b) customary officers’ certificates, (c) good standing certificates (to the extent applicable) in the respective jurisdictions of organization of each Borrower and the Guarantors (including the Company and its subsidiaries) (d) a solvency certificate, substantially in the form delivered in connection with the funding of the Initial Term Loans certifying that the Borrowers and their subsidiaries, on a consolidated basis after giving effect to the transactions contemplated hereby, are solvent, (e) resolutions of the Borrowers and the Guarantors (including the Company and its subsidiaries), (f) certified charter documents of (i) the Company and its subsidiaries and (ii) the Borrowers and the Guarantors (other than the Company and its subsidiaries) (and to the extent previously delivered and not amended or modified after the date of such delivery, an officers’ certificate of no change) and (g) customary borrowing notices.

7. At least three business days prior to the Closing Date, each Borrower and each Guarantor (including the Company and its subsidiaries) shall have provided to the Incremental Lenders the documentation and other information theretofore requested in writing by such Incremental Lenders at least 10 business days prior to the Closing Date that is required by regulatory authorities under applicable “know your customer” and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act and a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

8. All fees payable to the Incremental Lenders, the Incremental Arrangers or the Commitment Parties on the Closing Date pursuant to the Commitment Letter and the Fee Letter and costs and expenses to the extent invoiced 3 business days prior to the Closing Date (or such shorter period of time as reasonably agreed by the Borrowers) shall have been paid to the extent due.

9. To the extent applicable, the execution and delivery by the Borrowers and the Guarantors (including the Company and its subsidiaries) of the Loan Documents reflecting the terms and conditions set forth in the Commitment Letter (including the applicable Term Sheet) and the Fee Letter and satisfying the requirements of Section 2.20 of the applicable Credit Agreements.

10. Subject in all respects to the Certain Funds Provisions, (i) with respect to the First Lien Incremental Term Loan Facility, all documents and instruments required to create and perfect the First Lien Collateral Agent’s first priority security interest in the Collateral shall have been executed and delivered by each Borrower and each Guarantor party thereto and, if applicable, be in proper form for filing and (ii) with respect to the Second Lien Incremental Term Loan Facility, all documents and instruments required to create and perfect the Second Lien Collateral Agent’s first priority security interest in the Collateral shall have been executed and delivered by each Borrower and each Guarantor party thereto and, if applicable, be in proper form for filing.
11. The initial funding under the Incremental Facilities shall not occur prior to September 30, 2020.
Cambium Holding Corp.
c/o Veritas Capital Fund Management, L.L.C.
9 West 57th Street, 32nd Floor
New York, New York 10019

August 29, 2020

Gentlemen:

Reference is made to that certain Agreement and Plan of Merger (as amended from time to time, the “Agreement”), dated as of the date hereof, by and among Cambium Holding Corp., a Delaware corporation (“Parent”), Empower Merger Sub Inc., a Delaware corporation (“Acquisition Sub”) and Rosetta Stone Inc., a Delaware corporation (the “Company”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Agreement.

1. This letter agreement confirms the commitment, subject to the terms and conditions contained herein, of The Veritas Capital Fund VI, L.P., a Delaware limited partnership (the “Equity Investor”), to provide equity financing of up to $221,000,000 (the “Commitment”) to Parent at or prior to the Acceptance Time to purchase, or cause the purchase of, equity securities of Parent, solely for the purpose of providing a portion of the financing for the transactions contemplated by the Agreement (collectively, the “Transactions”) at the Acceptance Time, including the fees and expenses related thereto, on terms and subject to conditions mutually acceptable to Parent and the Equity Investor; provided that the Equity Investor shall not, under any circumstances, be obligated to purchase equity securities of, or make contributions to or otherwise fund, Parent in excess of the Commitment. The amount of the Commitment may be reduced, on a dollar-for-dollar basis, in the event, and to the extent, that Parent has, as of immediately prior to the Offer Closing, adequate cash amounts to fully finance the Transactions (including fees and expenses related thereto) and does not require all of the equity financing contemplated by the Commitment for such purposes.

2. The Equity Investor’s obligations under this letter agreement, including its obligation to fund the Commitment, are subject to, and conditioned upon, (a) the execution and delivery by the Company, Parent and Acquisition Sub of the Agreement, and (b) the satisfaction in full or waiver by Parent or Acquisition Sub (with the Equity Investor’s prior written consent) of each of the conditions to Parent’s and Acquisition Sub’s respective obligations contained in the Agreement to consummate the Offer (other than those conditions that by their nature are to be satisfied at the Expiration Time, but subject to such conditions being able to be satisfied).
3. The Equity Investor’s obligation to fund the Commitment may not be assigned, except as permitted in this Section 3. The Equity Investor may allocate or assign all or a portion of its rights and obligations under this letter agreement, including its obligation to fund the Commitment, to one or more Persons who commit to the Equity Investor to invest in the Transactions (collectively, the “Permitted Equity Investor Assignees”); provided, however, that any such allocation or assignment shall not relieve the Equity Investor, which shall remain responsible to Parent for the full amount of the Commitment (subject to the conditions in this letter agreement), of any of its obligations (including funding obligations) under this letter agreement.

4. This letter agreement shall be binding upon and inure solely to the benefit of each party hereto, and nothing in this letter agreement, express or implied, is intended to or shall confer upon any other Person other than the parties to this letter agreement (other than as expressly set forth in Sections 7 and 8 below) any right, benefit or remedy of any nature whatsoever under or by reason of this letter agreement, except that the Company shall be an express third-party beneficiary of this letter agreement and shall be entitled to obtain a decree or order for specific performance to cause Parent to draw down the full proceeds of the Commitment pursuant to, and to specifically enforce the other provisions of, this letter agreement, in the case of causing Parent to draw down the full proceeds of the Commitment, subject to the terms and conditions herein and in Section 8.12 of the Agreement. The rights of Parent under this letter agreement may not be assigned without the Equity Investor’s prior written consent.

5. This letter agreement will be effective upon the Equity Investor’s delivery to Parent of a duly executed copy of this letter agreement and Parent’s executed acceptance of the terms and conditions of this letter agreement. This letter agreement and the obligation of the Equity Investor to fund the Commitment will terminate on the earliest to occur of (a) the Closing, so long as the Commitment has been fully funded in accordance with the terms hereof, (b) the valid termination of the Agreement pursuant to its terms, and (c) the Company or any of its officers, directors, employees, agents or representatives asserting or filing any Legal Proceeding (of any kind or nature, whether in law or in equity) against Parent or any of Parent’s Affiliates with respect to the Agreement or any transaction contemplated thereby, other than (i) the Company’s right, prior to termination of the Agreement, to specific performance against Parent and/or Acquisition Sub (subject to the terms and limitations in Section 8.12 of the Agreement); (ii) the Company’s right, prior to the termination of the Agreement, as a third-party beneficiary under this letter agreement (subject to the terms and limitations herein); (iii) the Company’s right to bring any claim under the Agreement, the Limited Guaranty, the Confidentiality Agreement or that certain Clean Team Agreement, entered into as of March 20, 2020, by and between Parent and the Company (the “Clean Team Agreement”) (in each case, subject to the terms and limitations therein). Any claim against the Equity Investor under this letter agreement shall be barred if not brought in a court of competent jurisdiction prior to the valid termination of the Agreement.

6. Neither Parent’s nor Acquisition Sub’s creditors shall not have any right to enforce this letter agreement.
7. The Company’s rights as a third-party beneficiary under this letter agreement (subject to the terms and limitations herein and in the Agreement) and the Company’s rights pursuant to the Limited Guaranty, the Confidentiality Agreement and the Clean Team Agreement (each case, subject to the terms and limitations therein) shall, and are intended to, be the sole and exclusive direct or indirect remedies available to the Company against (a) the Equity Investor, (b) any Permitted Equity Investor Assignee, (c) any former, current or future director, officer, employee, agent, general or limited partner, manager, “principal”, member, stockholder or Affiliate of the Equity Investor or any Permitted Equity Investor Assignee or (d) any former, current or future director, officer, employee, agent, general or limited partner, manager, member, stockholder, or Affiliate of any of the Persons referred to in clause (c) of this sentence (the Persons referred to in clauses (a) through (d) of this sentence, collectively, the “Equity Investor Related Persons”; provided that in no event shall Parent or Acquisition Sub be considered an Equity Investor Related Person), in respect of any liabilities or obligations arising under, or in connection with, the Agreement and the Transactions, including in the event Parent or Acquisition Sub breaches its obligations under the Agreement.

8. Under no circumstances shall any Equity Investor Related Person, Parent or Acquisition Sub be liable for special, incidental, consequential, exemplary or punitive damages under or in connection with the Agreement, this letter agreement or the transactions contemplated or otherwise incidental thereby or hereby. Notwithstanding anything that may be expressed or implied in this letter agreement or any document or instrument delivered in connection herewith, Parent, by its acceptance of the benefits of this letter agreement (including the equity commitment hereunder), covenants, agrees and acknowledges that no Person other than the Equity Investor has any obligation hereunder and that, notwithstanding that the Equity Investor may be a partnership or limited liability company, no recourse hereunder or under any documents or instruments delivered in connection herewith shall be had against any Equity Investor Related Person, as such, whether by the enforcement of any assessment or by any Legal Proceeding or equitable proceeding, or by virtue of any statute, regulation or other applicable Legal Requirement, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any Equity Investor Related Person, as such, for any obligations of the Equity Investor under this letter agreement or any documents or instruments delivered in connection herewith or for any claim based on, in respect of, or by reason of such obligation or their creation.

9. This letter agreement may not be amended except by an instrument in writing signed by each of the parties hereto and the Company.

10. This letter agreement is made under, and shall be construed and enforced in accordance with, the laws of the State of Delaware applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law. Each of the parties hereto (i) consents to and submits to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware in any action or proceeding arising out of or relating to this letter agreement or any of the transactions contemplated by this letter agreement, (ii) agrees that all claims in respect of such action or proceeding shall be heard and determined in any such court, (iii) shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iv) shall not bring any action or proceeding arising out of or relating to this letter agreement or any of the transactions contemplated by this letter agreement in any other court. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Person with respect thereto.
11. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF THIS LETTER AGREEMENT OR THE TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS LETTER AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 11.

12. This letter agreement shall be treated as confidential and is being provided to the Company solely in connection with the Transactions. This letter agreement may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of the Equity Investor; provided, however, that the Company, Parent, Acquisition Sub and the Equity Investor may disclose this letter agreement (a) to the extent required by applicable Legal Requirement, (b) to the other Equity Investor Related Persons, (c) to the financing sources of the Equity Investor Related Persons, (d) to the respective officers, directors, employees, advisors, representatives, and agents of the foregoing (including the Company, Parent and the Equity Investor) and (e) in connection with any dispute involving any party hereto or the Company regarding this letter agreement or the transactions contemplated by this letter agreement.

13. Together with the Agreement, this letter agreement constitutes the sole agreement, and supersedes all prior agreements, understandings and statements, written or oral, between the Equity Investor and Parent, and any other person with respect to the matters contemplated by this letter agreement.

14. The Equity Investor hereby represents and warrants to Parent that: (a) the execution, delivery and performance of this letter agreement by the Equity Investor have been duly authorized by all necessary partnership action and do not contravene any provision of the Equity Investor’s partnership agreement or similar organizational documents or contravene, in any material respect, any Legal Requirement or contractual restriction binding on the Equity Investor or its assets; (b) all material consents, approvals, authorizations, permits of, filings with and notifications to, any Governmental Entity necessary for the due execution, delivery and performance of this letter agreement by the Equity Investor have been obtained or made and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any Governmental Entity is required in connection with the execution, delivery or performance of this letter agreement; (c) this letter agreement constitutes a legal, valid and binding obligation of the Equity Investor enforceable against such Equity Investor in accordance with its terms, subject to the Enforceability Exceptions; and (d) the Equity Investor has the financial capability and uncalled capital commitments necessary to fulfill its Commitment and all funds necessary for the Equity Investor to fulfill its obligations under the Commitment shall be available to the Equity Investor for so long as this letter agreement shall remain in effect.
15. The Equity Investor agrees that irreparable damage would occur in the event that any of the provisions of this letter agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, in addition to any other remedy that Parent may have under law or in equity, in the event of any breach or threatened breach by the Equity Investor, of any covenant or obligation of such party contained in this letter agreement, Parent shall be entitled to obtain (a) a decree or order of specific performance to enforce the observance and performance of such covenant and (b) an injunction restraining such breach or threatened breach. In the event that any action is brought in equity to enforce the provisions of this letter agreement, the Equity Investor shall not allege, and the Equity Investor hereby waives the defense or counterclaim, that there is an adequate remedy at law. The Equity Investor further agrees that neither Parent nor any other Person shall be required to obtain, furnish, or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 15, and the Equity Investor irrevocably waives any right it may have to require the obtaining, furnishing, or posting of any such bond or similar instrument.

[Remainder of page intentionally left blank]
Please countersign a copy of this letter agreement and return it to the undersigned to confirm your agreement with the terms set forth in this letter agreement.

Sincerely,

THE VERITAS CAPITAL FUND VI, L.P.

By: Veritas Capital Partners VI, L.L.C., as General Partner

By: /s/ Ramzi Musallam
Name: Ramzi Musallam
Title: Authorized Signatory

Accepted and agreed as of the date first above written by:

CAMBIUM HOLDING CORP.

By: /s/ Barbara Benson
Name: Barbara Benson
Title: Chief Financial Officer

[Signature Page to Equity Commitment Letter]
LIMITED GUARANTEE

This Limited Guarantee (this “Guarantee”) is made as of August 29, 2020, by The Veritas Capital Fund VI, L.P., a Delaware limited partnership (the “Guarantor”), in favor of Rosetta Stone Inc., a Delaware corporation (the “Company”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Agreement (as defined below).

WHEREAS, reference is made to that certain Agreement and Plan of Merger (as amended from time to time, the “Agreement”), dated as of the date hereof, by and among Cambium Holding Corp., a Delaware corporation (“Parent”), Empower Merger Sub Inc., a Delaware corporation (“Acquisition Sub”) and the Company.

NOW, THEREFORE, as an inducement to the Company to enter into the Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the Guarantor undertakes and agrees for the benefit of the Company as follows:

1. The Guarantor hereby absolutely, unconditionally and irrevocably guarantees (subject to the Cap (as defined below)) the due and punctual payment to the Company of (a) the Parent Termination Fee, if and when due and payable pursuant to Section 7.4(a) of the Agreement, including interest (if any) on the Parent Termination Fee pursuant to Section 7.4(c), and (b) Parent’s reimbursement and/or indemnification obligations expressly set forth in Section 5.7(f) of the Agreement (the obligations set forth in clauses (a) and (b) above, each, an “Obligation” and, collectively, the “Obligations”). Notwithstanding any of the terms or conditions of this Guarantee: (i) under no circumstance shall the maximum liability of the Guarantor to the Company under this Guarantee exceed, in the aggregate, an amount equal to $56,415,734 (the “Cap”) for any reason (it being understood that this Guarantee may not be enforced without giving effect to the Cap, and Sections 7 and 13 below); (ii) this Guarantee may only be enforced for the payment of money (subject to the Cap), and under no circumstances shall the Guarantor be liable under the Agreement, this Guarantee, or any of the transactions contemplated thereby or hereby for special, incidental, consequential, exemplary or punitive damages; (iii) in no event shall the Guarantor be required to pay an amount in the aggregate in excess of the Cap to any Person pursuant to, under, or in respect of this Guarantee; and (iv) the Guarantor shall not have any obligation or liability to any Person under or arising out of the Agreement, this Guarantee or any of the transactions contemplated thereby or hereby, other than as expressly set forth herein or in the Equity Commitment Letter. If not paid by Parent, the Guarantor shall make prompt payment (in any event, no later than ten Business Days after written demand by the Company therefor) to the Company of the amount (subject to the Cap) of the Obligations, if and when such amount is due under the terms of the Agreement. In furtherance of the foregoing, but subject to Section 2 below, the Guarantor acknowledges that this Guarantee is one of payment, not collection, and that the Company may, in its sole discretion, bring and prosecute a separate action or actions against the Guarantor for the full amount (subject to the Cap) of the Obligations, regardless of whether action is brought against Parent or Acquisition Sub or whether Parent, Acquisition Sub or any other Person is joined in any such action or actions.
2. Notwithstanding anything to the contrary contained in this Guarantee but subject to Section 9, the Company agrees that, to the extent Parent and Acquisition Sub are relieved of all or any portion of the Obligations by the complete and indefeasible satisfaction thereof or pursuant to any written agreement with the Company entered into prior to the Closing (any amount so satisfied or relieved, the “Reduction Amount”), the Cap shall be reduced by an amount equal to the Reduction Amount.

3. The Guarantor represents and warrants to the Company that:

(a) The Guarantor is a limited partnership, validly existing and in good standing under the laws of the State of Delaware, and has all requisite power and authority necessary to execute and deliver this Guarantee, and to perform its obligations hereunder. The execution, delivery and performance by the Guarantor of this Guarantee have been approved by the requisite limited partnership action, and no other action on the part of the Guarantor is necessary to authorize the execution, delivery and performance by the Guarantor of this Guarantee.

(b) This Guarantee has been duly executed and delivered by the Guarantor and, assuming due authorization, execution and delivery of this Guarantee by the Company, constitutes legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with its terms, subject to applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and similar laws now or hereafter in effect relating to or affecting creditors’ rights and remedies generally and to general principles of equity. Neither the execution and delivery of this Guarantee by the Guarantor nor performance by the Guarantor of its obligations pursuant to this Guarantee will (i) conflict with or violate any provision of the organizational documents of the Guarantor, (ii) violate, in any material respect, any law, rule, regulation, judgment, writ, stipulation or injunction of any Governmental Entity applicable to the Guarantor or (iii) violate or constitute a default under any of the terms, conditions or provisions of any material contract to which the Guarantor is a party.

(c) The Guarantor has the financial capacity and uncalled capital commitments to pay and perform the guaranteed obligations hereunder, and all funds necessary for it to fulfill its obligations hereunder shall be available to it for as long as this Guarantee shall remain in effect. Without limiting the generality of the foregoing the Guarantor has (i) uncalled capital commitments at least equal to the Cap, (ii) the right to call capital from its limited partners (including in a capital call solely to fund commitments under this Guarantee), and (iii) its limited partners or other investors are bound by an enforceable obligation to fund such capital after such a capital call by the Guarantor.

4. The Guarantor agrees that the Obligations shall not be released or discharged, in whole or in part, or otherwise affected by (a) the failure or delay on the part of the Company to assert any claim or demand or to enforce any right or remedy against Parent, Acquisition Sub or the Guarantor; (b) the existence of any claim, set-off or other right which the Guarantor may have at any time against Parent, Acquisition Sub or the Company (other than defenses under the Agreement (excluding any claims, set-offs or other rights arising out of, due to, or as a result of, the insolvency or bankruptcy of Parent or Acquisition Sub or the failure of Parent or Acquisition Sub to duly authorize the execution and delivery of the Agreement)), whether in connection with
the Obligations or otherwise; (c) any discharge of the Guarantor as a matter of applicable Legal Requirements or equity (other than the discharge (i) of the Guarantor with respect to all, or a portion, of the Obligations as a result of payment of all, or a portion, of the Obligations in accordance with its terms (including as provided in Section 2 above) or as a result of defenses to the payment of the Obligations that would be available to Parent or Acquisition Sub under, or in connection with, the Agreement (excluding any defenses arising out of, due to, or as a result of, the insolvency or bankruptcy of Parent or Acquisition Sub or the failure of Parent or Acquisition Sub to duly authorize the execution and delivery of the Agreement) or (ii) pursuant to the terms of this Guarantee); (d) any release, waiver, forbearance or discharge, in whole or in part, of any obligation of Parent or Acquisition Sub contained in the Agreement (other than (i) as provided in Section 2 above or (ii) as a result of the defenses to the payment of the payment obligation of Parent or Acquisition Sub available under, or in connection with, the Agreement (excluding any defenses arising out of, due to, or as a result of, the insolvency or bankruptcy of Parent or Acquisition Sub or the failure of Parent or Acquisition Sub to duly authorize the execution and delivery of the Agreement)); (e) any change in the time, place or manner of payment of any of the Obligations or any rescission, waiver, compromise, consolidation or other amendment or modification of any of the terms or provisions of the Agreement made in accordance with the terms thereof, provided, that no such change, rescission, waiver, compromise, consolidation, amendment, modification or other agreement shall in any way increase the Cap; (f) the addition, substitution or release of any Person interested in the transactions contemplated by the Agreement; (g) any change in the corporate existence, structure or ownership of the Guarantor, the Company or any other Person; (h) any default by Parent or Acquisition Sub under the Agreement; or (i) the adequacy of any other means the Company may have of obtaining repayment of any of the Obligations.

5. To the fullest extent permitted by applicable Legal Requirements, the Guarantor hereby expressly waives: (a) any and all rights or defenses arising by reason of any applicable Legal Requirement that would otherwise require any election of remedies by the Company (other than any applicable rights and defenses available to Parent or Acquisition Sub under, or in connection with, the Agreement (excluding any rights or defenses arising out of, due to, or as a result of, the insolvency or bankruptcy of Parent or Acquisition Sub or the failure of Parent or Acquisition Sub to duly authorize the execution and delivery of the Agreement)); (b) promptness, diligence, grace, notice of the acceptance of this Guarantee and of the Obligations, presentment, demand for payment, notice of non-performance, default, dishonor and protest, notice of the Obligations incurred and all other notices of any kind (other than notices to Parent or Acquisition Sub pursuant to the Agreement), all defenses that may be available by virtue of any valuation, stay, moratorium law or other similar law now or hereafter in effect or any right to require the marshaling of assets of Parent, Acquisition Sub or any other Person now or hereafter liable with respect to the Obligations or otherwise interested in the transactions contemplated by the Agreement; (c) all suretyship defenses generally (other than defenses to the payment of the Obligations that are available to Parent or Acquisition Sub under the Agreement (excluding any defenses arising out of, due to, or as a result of, the insolvency or bankruptcy of Parent or Acquisition Sub or the failure of Parent or Acquisition Sub to duly authorize the execution and delivery of the Agreement)); and (d) any and all notice of the creation, renewal, extension or accrual of the Obligations and notice of or proof of reliance by the Company upon this Guarantee or acceptance of this Guarantee. The Obligations shall conclusively be deemed to have been created, contracted or incurred in reliance upon this Guarantee, and all dealings
between Parent, Acquisition Sub or the Guarantor, on the one hand, and the Company, on the other hand, shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guarantee. The Guarantor acknowledges that it will receive substantial direct and indirect benefits from the transactions contemplated by the Agreement and that the waivers set forth in this Guarantee are knowingly made in contemplation of such benefits.

6. When pursuing its rights and remedies hereunder against the Guarantor, the Company shall be under no obligation to pursue such rights and remedies it may have against Parent, Acquisition Sub or any other Person for the Obligations or any right of offset with respect thereto, and any failure by the Company to pursue such other rights or remedies or to collect any payments from Parent, Acquisition Sub or any such other Person or to realize upon or to exercise any such right of offset, and any release by the Company of any such other Person (other than a release of Parent and Acquisition Sub, the treatment of which shall be governed by Section 2 above) or any right of offset, shall not relieve the Guarantor of any liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Company.

7. This Guarantee is a continuing Guarantee and shall be binding upon the Guarantor until the complete and indefeasible payment and satisfaction in full (subject to the Cap) of the Obligations. Notwithstanding the foregoing, this Guarantee shall terminate and the Guarantor shall have no further obligations under this Guarantee as of the earlier of (a) the Closing and (b) the six-month anniversary of the date of the valid termination of the Agreement in accordance with its terms, unless prior to such six-month anniversary, the Company shall have provided a good faith notice to the Guarantor, Parent or Acquisition Sub claiming amounts payable in respect of the Obligations, in which case this Guarantee shall terminate upon the earliest to occur of (i) the complete and indefeasible payment in full of the Obligations (subject to the Cap), (ii) the final, non-appealable resolution of any and all Legal Proceedings relating to such claim and, if applicable, the complete and indefeasible satisfaction by the Guarantor of any obligations finally determined or agreed to be owed by the Guarantor (subject to the Cap), and (iii) the execution and delivery of a written agreement signed by the Guarantor and the Company terminating this Guarantee. Notwithstanding the foregoing, in the event that the Company or any of its subsidiaries or affiliates asserts in any litigation or other legal proceeding relating to this Guarantee (A) that the provisions hereof (including Section 1 above, this Section 7 and Section 13 below) limiting the Guarantor’s liability or any other provisions of this Guarantee are illegal, invalid or unenforceable in whole or in part, (B) any theory of liability against the Guarantor, or any of its Affiliates (other than Parent and Acquisition Sub) or any Non-Recourse Party (as defined below) with respect to the transactions contemplated by the Agreement or this Guarantee other than liability of the Guarantor under this Guarantee (as limited by the provisions hereunder) or (C) that the Guarantor is liable in excess of the Cap, then (1) the obligations of the Guarantor under this Guarantee shall terminate ab initio and, thereupon, be null and void, (2) if the Guarantor has previously made any payments under this Guarantee it shall be entitled to have such payments refunded by the Company and (3) neither the Guarantor nor any Parent Related Parties shall have any liability to the Company under the Agreement (other than Parent and Acquisition Sub in accordance with the express terms and limitations therein) or under this Guarantee; provided that nothing herein is intended to limit the Company’s rights to specific performance pursuant to Section 8.12 of the Agreement to the extent and subject to the terms and limitations set forth therein.
8. Each party hereto hereby unconditionally and irrevocably agrees that it shall not institute any Legal Proceeding asserting that this Guarantee is illegal, invalid or unenforceable in accordance with its terms.

9. The Guarantor hereby agrees that the Obligations shall not be deemed to have been released, dismissed, impaired, reduced, discharged, paid, observed or performed or affected as the result of the bankruptcy, insolvency, disability, dissolution, termination, receivership, reorganization or lack of corporate or other power of Parent or Acquisition Sub, and the Guarantor’s liabilities in respect thereof shall continue and not be discharged, including the case where any payment or performance thereof by Parent or Acquisition Sub is recovered from or paid over by or on behalf of the Company by reason of a fraudulent transfer by Parent or Acquisition Sub, or as a preference in any bankruptcy of Parent or Acquisition Sub. The Company shall not be obligated to file any claim relating to the Obligations in the event that Parent or Acquisition Sub becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Company to so file shall not affect the Guarantor’s obligations hereunder. In the event that any payment to the Company in respect of the Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder with respect to the Obligations as if such payment had not been made.

10. No waiver, modification or amendment of any provisions of this Guarantee shall be effective except pursuant to a written agreement signed by the Company and the Guarantor, and then such waiver shall be effective only in the specific instance and for the purpose for which given. This Guarantee shall be binding upon and inure to the benefit of the successors-in-interest and permitted assigns of each party hereto. No rights or obligations hereunder shall be assignable (by operation of law or otherwise) by the Guarantor or the Company without the prior written consent of the Company or the Guarantor, as the case may be, except that if a portion of the Guarantor’s commitment under the Equity Commitment Letter (as defined below) is assigned to any Person in accordance with the terms thereof, then a corresponding portion of its obligations hereunder may be assumed by the same assignee; provided that any such assumption shall not relieve the Guarantor of any of its obligations hereunder (including its obligations for the portion assumed by such assignee, for which the Guarantor shall be jointly and severally liable, with such assignee), and all references herein to the Guarantor shall be deemed to include any such assignee.

11. This Guarantee may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

12. This Guarantee is made under, and shall be construed and enforced in accordance with, the laws of the State of Delaware applicable to agreements made and to be performed solely therein, without giving effect to principles of conflicts of law. Each of the parties hereto (i) consents to and submits to the exclusive personal jurisdiction of the Court of Chancery of the State of Delaware, New Castle County, or, if that court does not have jurisdiction, a federal court sitting in Wilmington, Delaware in any action or proceeding arising out of or relating to this Guarantee or any of the transactions contemplated by this Guarantee, (ii) agrees that all claims in respect of such action or proceeding shall be heard and determined in any such court, (iii) shall
not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any such court and (iv) shall not bring any action or proceeding arising out of or relating to this Guarantee or any of the transactions contemplated by this Guarantee in any other court. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Person with respect thereto.

13. Notwithstanding anything that may be expressed or implied in this Guarantee or any document or instrument delivered contemporaneously herewith, and notwithstanding the fact that the Guarantor may be a partnership or limited liability company, by its acceptance of the benefits of this Guarantee, the Company acknowledges and agrees that it has no right of recovery against, and no personal liability shall attach to, the Guarantor, the Debt Financing Sources or any of their respective former, current or future Affiliates, or their respective former, current and future direct or indirect directors, officers, “principals”, general or limited partners, employees, stockholders, other equity holders, members, managers, agents, assignees, Affiliates, controlling Persons or representatives or any former, current or future direct or indirect directors, officers, “principals”, general or limited partners, employees, stockholders, other equity holders, members, managers, agents, assignees, Affiliates, controlling Persons or representatives of any of the foregoing, in each case, other than Parent and Acquisition Sub (collectively, each a “Non-Recourse Party”), with respect to the Agreement or the transactions contemplated thereby, through Parent, Acquisition Sub or otherwise, whether by or through attempted piercing of the corporate veil, by or through a claim by or on behalf of Parent, Acquisition Sub or any other Person against any Non-Recourse Party (including a claim to enforce the commitment letter dated as of the date hereof, from the Guarantor to Parent (the “Equity Commitment Letter”)), by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or other applicable law, or otherwise, except for its rights to recover from the Guarantor under and to the extent provided in this Guarantee and subject always to the Cap, and the other limitations set forth herein. The Company further agrees and acknowledges that recourse against the Guarantor under and pursuant to the terms and limitations of this Guarantee shall be the sole and exclusive remedy of the Company and any of its representatives against the Guarantor and the Non-Recourse Parties in respect of any liabilities or obligations arising under the Agreement or the transactions contemplated thereby or in respect of any oral representations made or alleged to be made in connection herewith or therewith, whether at law or equity, in contract, in tort or otherwise.

14. All notices, requests, claims, demands and other communications hereunder shall be given by the means specified in the Agreement (and shall be deemed given as specified therein), to the addresses as follows:

If to the Guarantor:
The Veritas Capital Fund VI, L.P.  
9 West 57th Street, 29th Floor  
New York, New York 10019  
Attention: Ramzi M. Musallam  
Facsimile: (212) 688-9411
with a copy, which shall not constitute notice, to:

Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
Attention: Richard A. Presutti
Facsimile: (212) 593-5955

If to the Company, as provided in the Agreement.

15. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENT, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDING ARISING OUT OF THIS GUARANTEE OR THE TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (II) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTEE BY, AMONG OTHER THINGS, THE MUTUAL WAIVER AND CERTIFICATIONS IN THIS SECTION 15.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the Guarantor has duly executed and delivered this Limited Guarantee as of the day first written above.

GUARANTOR:

THE VERITAS CAPITAL FUND VI, L.P.

By: Veritas Capital Partners VI, L.L.C., as General Partner

By: /s/ Ramzi Musallam
    Name: Ramzi Musallam
    Title: Authorized Signatory

Accepted and agreed as of the date first above written:

ROSETTA STONE INC.

By: /s/ John Hass
    Name: John Hass
    Title: Chief Executive Officer

[Signature Page to Limited Guarantee]
February 5, 2020

PRIVATE AND CONFIDENTIAL

Cambium Holding Corp.
17855 N. Dallas Parkway, Suite 400
Dallas, TX 75287

Re: Rosetta Stone Inc. – Confidentiality Agreement

Ladies and Gentlemen:

In connection with Cambium Holding Corp.’s (“you” or “your”) desire to explore a possible negotiated transaction (a “Transaction”) involving Rosetta Stone Inc. (“Rosetta Stone” and, collectively with its subsidiaries and controlled affiliates, the “Company,” “we” or “our”), the Company and you may make certain information available to the other party concerning the disclosing party and/or the disclosing party’s subsidiaries or affiliates. As a condition to the disclosing party furnishing any such information to the receiving party and its Representatives (as defined herein), the receiving party agrees to treat such information in accordance with the provisions of this letter agreement (this “Agreement”), and to take or refrain from taking the other actions hereinafter set forth.

As used in this Agreement: (i) the term “Representatives” means, in respect of any person, such person’s affiliates and its and their respective directors, officers, general and existing limited partners, managers, members, shareholders, employees, agents and professional advisors and consultants (including financial advisors, legal counsel and accountants) and any representatives of such person’s advisors; (ii) the term “affiliate” has the meaning given to that term in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and (iii) the term “person” shall be broadly interpreted to mean all natural and legal persons, including any company, corporation, general or limited partnership, limited liability company, trust or other entity. For purposes of clarification, Veritas Capital Fund Management, L.L.C. (“Veritas”) will be one of your advisors/consultants for the Transaction.


As used in this Agreement, the term “Evaluation Material” means all information (whether furnished on or after the date hereof, whether prepared by the disclosing party, its Representatives or otherwise, whether or not marked or otherwise denoted as being confidential, and irrespective of the form of communication, including oral as well as written and electronic communications) that is furnished, directly or indirectly, to the receiving party or its Representatives by or on behalf of the disclosing party in connection with the Transaction. The term “Evaluation Material” also includes that portion of any and all notes, analyses, compilations, studies, excerpts, interpretations and other documents prepared by the receiving party or its Representatives which contain, reflect or are based upon, in whole or in part, the
information that the disclosing party or its Representatives furnishes to the receiving party or its Representatives. The term “Evaluation Material” does not include information that (i) is or becomes generally known to the public other than as a result of a disclosure by the receiving party or its Representatives in violation of this Agreement, (ii) was within the receiving party’s or any of its Representatives’ possession prior to it being furnished to the receiving party by or on behalf of the disclosing party; provided, that the source of such information was not known by you or your applicable Representatives to be bound by a confidentiality agreement with, or other contractual, legal or fiduciary obligation of confidentiality to, the disclosing party or any other party with respect to such information, (iii) is or becomes available to the receiving party or any of its Representatives on a non-confidential basis from a source other than the disclosing party or any of the disclosing party’s Representatives if such source is not known by the receiving party or its applicable Representatives to be bound by a confidentiality agreement with, or any other contractual, legal or fiduciary obligation of confidentiality to, the disclosing party or any other party with respect to such information, or (iv) is independently developed by the receiving party or any of its Representatives without use of or reference to the disclosing party’s Evaluation Material.

2. Use of Evaluation Material and Confidentiality.

The receiving party and its Representatives (i) shall use the Evaluation Material solely for the purpose of considering, evaluating, negotiating and consummating a Transaction, (ii) shall not, directly or indirectly, use any of the Evaluation Material for any other purpose and (iii) shall keep the Evaluation Material strictly confidential and, except as provided in this Section 2 and in Section 4, shall not disclose any of the Evaluation Material in any manner whatsoever without the express, prior written consent of the disclosing party; provided, however, that the Evaluation Material may be disclosed to the receiving party’s Representatives who need to know the information so disclosed for the purpose of advising the receiving party with respect to evaluating, negotiating and consummating a Transaction, and who agree with the receiving party to keep such Evaluation Material confidential in accordance with the terms of this Agreement. The receiving party shall be responsible for any breach of the provisions of this Agreement applicable to its Representatives by any of its Representatives (including any action taken by the receiving party’s Representatives that, if taken by the receiving party, would constitute a breach of the provisions of this Agreement applicable to its Representatives), and the receiving party agrees, at its sole expense, to take all reasonable measures to ensure that its Representatives do not make any prohibited or unauthorized disclosure or use of the Evaluation Material. The receiving party agrees to notify the disclosing party of any unauthorized disclosure, misuse or misappropriation of the Evaluation Material which may come to its attention.

For the avoidance of doubt, the Evaluation Material is and shall remain the property of the disclosing party. No license or other property right or interest is granted, by implication or otherwise, by this Agreement or the disclosure of (or by the provision of access to) the Evaluation Material to the receiving party or its Representatives, in any copyright, patent, trademark, mask work, database or other intellectual or intangible property, or in any proprietary information disclosed, embodied, fixed, comprised or contained in any Evaluation Material, and all such rights and interests shall remain exclusively with the disclosing party.
3. **Discussions Also to Remain Confidential.**

   Except as set forth in Section 2 and in Section 4 of this Agreement, each party agrees that without the express, prior written consent of the other party, neither party nor any of its Representatives shall disclose to any person the existence of this Agreement or the fact that the Evaluation Material has been made available to it or its Representatives, the fact that discussions or negotiations concerning a Transaction are or may be taking place or previously have taken place, or any of the terms, conditions or other matters discussed between the parties or their Representatives with respect thereto (the foregoing such information described in this sentence being hereafter referred to collectively as, “Transaction Information”). Without limiting the generality of the foregoing and for purposes of clarification, except with the express, prior written consent of Rosetta Stone, you agree that neither you nor any of your Representatives (other than professional advisors and consultants that are not acting on your behalf or at the direction of you or your affiliates who have received Evaluation Material or are aware of Transaction Information) shall, directly or indirectly, enter into any discussions or any agreement, understanding, plan or arrangement with any person regarding any joint bid or co-bid or any co-equity or co-investment participation by any person with you in a Transaction. In addition, you agree that you will not, directly or indirectly, enter into any agreement, arrangement or any other understanding, whether written or oral, with any potential financing source or sources which reasonably could limit, restrict, restrain, or otherwise impair in any manner, directly or indirectly, the ability of such financing source or sources to provide financing or other assistance to any other person in any other transaction involving the Company (it being understood and agreed that any such person will not be considered your Representative for any purpose hereunder and, accordingly, Evaluation Material may not be disclosed to any such person without the express, prior written consent of the Company); provided however, that, to the extent the Company agrees to allow you and your Representatives to enter into any agreement, arrangement or other understanding with any potential debt financing source or sources, such approved financing sources may establish a “tree” system whereby separate groups or “trees” will be formed and dedicated to you, and each other party, respectively, involved in the Transaction.

4. **Legally Compelled Disclosure.**

   If the receiving party or any of its Representatives are required in any judicial, governmental, administrative, regulatory or other legal proceeding, or pursuant to subpoena, civil investigative demand or other compulsory process to disclose any Evaluation Material or any Transaction Information, the receiving party and such Representative shall first provide the disclosing party with prompt and advance written notice of any such legal proceeding or compulsory process so that the disclosing party may seek a protective order or other appropriate remedy (at the disclosing party’s sole expense). If, in the absence of a protective order or other remedy or the receipt of a waiver by the disclosing party, the receiving party or any of its Representatives determine, after consultation with and upon the advice of outside legal counsel, that the receiving party or any such Representative are legally required to disclose Evaluation Material or Transaction Information, the receiving party and any such Representative may disclose only that portion of the Evaluation Material or Transaction Information which the receiving party or any such Representative determines, after consultation with and upon the advice of outside legal counsel,
is legally required to be disclosed; *provided*, that the receiving party or such Representative shall use commercially reasonable efforts to preserve the confidentiality of the Evaluation Material or Transaction Information so disclosed, including by reasonably cooperating with the disclosing party to obtain an appropriate protective order or other reliable assurance that confidential treatment will, to the maximum possible extent, be accorded to the Evaluation Material and Transaction Information by such tribunal or other public or governmental authority at the disclosing party’s sole expense. Notwithstanding any other provision of this Agreement, no prior notice or other action shall be required in respect of any disclosure made to any banking, financial, accounting, securities or other supervisory or regulatory authority exercising its routine supervisory or audit functions, provided that such disclosure is made in the ordinary course and is not specific to the disclosing party, the Transaction or the Evaluation Material.

5. **Termination of Discussions; Return of Evaluation Material.**

   Upon the written request of the disclosing party for any reason, the receiving party shall promptly, and in any event no later than 10 business days after receipt of the request, deliver to the disclosing party, or at its option, destroy, all Evaluation Material (including all copies, extracts and other reproductions thereof, whether in paper, electronic or other form or media) furnished to the receiving party or its Representatives by or on behalf of the disclosing party pursuant to this Agreement; *provided, however*, that the receiving party and its Representatives shall be entitled to retain one or more complete copies, including in electronic archival storage form, of all Evaluation Material in accordance with document retention laws and policies applicable to the receiving party and to such other persons, as the case may be; *provided, further*, that such retained information shall continue to be kept confidential for a period of three (3) years after the date of this Agreement and shall be stored only in record archives to which access is not made generally available. If requested by the disclosing party in writing, the return or destruction of the Evaluation Material, including that prepared by the receiving party or its Representatives, shall be confirmed in writing to the disclosing party by an authorized officer or representative supervising such destruction. Notwithstanding the return or destruction of the Evaluation Material, the receiving party and its Representatives shall continue to be bound by the receiving party’s and their obligations of confidentiality and other obligations hereunder. Without limiting the generality of the foregoing (and in addition to the provisions of Section 9), each party acknowledges and agrees that this Agreement and the furnishing to the other party of Evaluation Material shall not create any agreement-to-agree, agreement to negotiate, agreement as to the conduct by the Company of any transaction process, exclusive dealing arrangement or any other contract, agreement, plan, commitment or understanding with respect to any Transaction.

6. **Privileged Information.**

   The furnishing to the receiving party or its Representatives of any Evaluation Material shall not be deemed to waive or in any manner diminish any attorney-client privilege, attorney work-product protection or other privilege or protection applicable to any such Evaluation Material. The parties here to acknowledge and agree that they (i) desire to share common legal, as well as commercial, interests in all Evaluation Material, (ii) may become joint defendants in legal proceedings to which such Evaluation Material relates, and (iii) intend that all such privileges and protections shall remain intact should either party become subject to any legal
proceedings to which such Evaluation Material is relevant. In furtherance of the foregoing, each party hereto agrees not to claim or contend that the other party has waived any attorney-client privilege, attorney work-product protection or other protection or privilege by providing information pursuant to this Agreement or any subsequent agreement (definitive or otherwise) regarding a Transaction into which the parties hereafter may enter.

7. **Accuracy and Completeness of Evaluation Material.**

    Each party understands and agrees that the disclosing party shall have the right in its sole discretion to determine what Evaluation Material to make available to the receiving party and its Representatives and what information it will withhold, as well as the times at which it will make information available, and further reserves the right to adopt additional specific procedures to protect the confidentiality of certain sensitive Evaluation Material on mutually acceptable terms. The disclosing party and its Representatives have no obligation to supplement or update any information that has been or is provided to the receiving party or its Representatives.

    Neither the disclosing party nor any of its Representatives has made, is making or will make any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material. The receiving party agrees that neither the disclosing party nor any of its Representatives shall have any liability to the receiving party or to any of the receiving party’s Representatives relating to or resulting from the provision or use of the Evaluation Material or any errors therein or omissions therefrom. The receiving party also agrees that it is not entitled to rely on the accuracy or completeness of any Evaluation Material and that it shall be entitled to rely solely on such representations or warranties regarding the disclosing party as may be set forth in a definitive agreement relating to a Transaction, when, as and if entered into by the parties hereto, and subject to such qualifications, limitations and restrictions as may be specified therein.

8. **Standstill.**

    You agree that, without the express, prior written consent of the board of directors of Rosetta Stone (or any duly constituted committee thereof composed entirely of independent directors of the Company), until the date that is twelve (12) months after the date hereof, neither you nor any of your affiliates that have received any Evaluation Material from or on behalf of you, shall, directly or indirectly, in any manner (including by means of communication with the press or through other news or social media):

    (a) acquire, offer to acquire, or agree to acquire or make a proposal to acquire (including any private proposal to the Company or its board of directors), whether by means of purchase or otherwise, record or beneficial ownership of any (i) securities (or any interest therein or right thereto) having statutory, organic or contractual voting power, whether or not contingent (“Voting Securities”), of the Company, (ii) assets or property of the Company or of any division or operating unit of the Company (other than purchases of products or services in the ordinary course of business), or (iii) any debt securities, loan participation interests or other similar evidences of indebtedness of the Company;
(b) enter into any contract, arrangement, understanding, plan, agreement or commitment (whether oral or written) with respect to any Derivative Securities (as defined below);

(c) make or in any way participate, directly or indirectly, in any “solicitation” of “proxies” or “consents” (as such terms are used in the rules and published interpretations of the Securities and Exchange Commission (“SEC”)) to vote (or to withhold authority or abstain from voting), or seek to advise or influence any person with respect to the voting of (or the withholding of authority or abstention from voting), any Voting Securities, or call or seek to call a meeting of the Company’s stockholders or initiate any stockholder proposal for action by the Company’s stockholders (whether or not such action is subject to regulation by the rules of the SEC);

(d) make any public announcement with respect to, or solicit or submit to the Company or any of its affiliates, Representatives or any other person, or any of the Company’s stockholders, any proposal, expression of interest, term sheet, memorandum of understanding, letter of intent, inquiry or offer (with or without conditions) providing for, in a single transaction or in any series of related transactions, any merger, sale, consolidation, acquisition, business combination, recapitalization, reorganization, divestiture, spin-off, cash or property distribution or other extraordinary transaction involving the Company or any of the Company’s securities, businesses or assets, or enter into any discussions, negotiations, arrangements, understandings or agreements (whether written or oral) with any other person (other than your Representatives) regarding any of the foregoing;

(e) form, join or in any way engage or participate in a “group” (within the meaning of Section 13(d)(3) of the Exchange Act) in connection with any Voting Securities or debt securities of the Company or otherwise in connection with any of the foregoing;

(f) act alone, or in concert with any other person(s), to seek to control, advise, change or influence the management, board of directors, policies, business operations or affairs of the Company;

(g) disclose any intention, plan or arrangement inconsistent with any of the foregoing restrictions;

(h) advise, assist, encourage or direct any person to do (or to advise, assist, encourage or direct any other person to do) any of the foregoing;

(i) make any public disclosure, or take any action that could reasonably be expected to require the Company to make a public disclosure, regarding the possibility of a Transaction or any of the matters described in this Section 8 or elsewhere in this Agreement;
(j) request the Company (or any of the directors, officers, employees or agents of the Company) or any Representatives of the Company, directly or indirectly, to amend or waive any provision of this Section 8;

(k) contest the validity of this Section 8 or seek a release of the restrictions contained herein (whether by legal action or otherwise); or

(l) have or participate in any discussions or enter into any negotiations, contracts, arrangements, understandings, plans, commitments or agreements (whether oral or written) with, or advise, assist or encourage any person in connection with, any of the foregoing.

You hereby represent and warrant to the Company that neither you nor any of your affiliates, nor anyone else acting on your or their behalf, has acquired record or beneficial ownership of any Voting Securities or debt securities of the Company (other than individuals in their individual accounts and in de minimis amounts).

For purposes of clarification and not in any way in limitation of any of the prohibitions set forth in this Section 8, neither you nor Veritas nor any of your Representatives acting on your behalf or at your direction shall submit to the Company or any of its Representatives any expression of interest, proposal or offer regarding a Transaction unless expressly invited to do so by the board of directors of the Company (or any duly constituted committee thereof composed entirely of independent directors of the Company); provided, however, that if the Company has entered into a definitive sale or merger agreement with a third party which contains a “go-shop” provision, you shall be permitted to make a non-public acquisition proposal to the Company.

Notwithstanding the foregoing, this Section 8 shall become inoperative and have no more force or effect if any other person or group shall have consummated an acquisition of more than 50% of the outstanding equity securities of the Company.

Notwithstanding the foregoing, if an investment professional employed by Veritas has not received any Evaluation Material (including any such investment professional who has not received any Evaluation Material but has knowledge of the existence of the Transaction and the fact that Evaluation Material has been provided to you in connection with such Transaction) and who is not acting on behalf or at the direction of Veritas or any of its affiliates, then such investment professional shall not be bound by the foregoing restrictions in this Section 8, and nothing in this Section 8 will restrict or otherwise prevent such investment professional from being involved with or otherwise working on the Transaction from conducting lending and trading activities, including with respect to any securities or instruments of the Company, in their normal course of business.

For purposes of this Section 8, “Derivative Securities” means any securities that are the subject of any derivative or other transaction entered into by any person, which gives such person the economic equivalent of ownership of an amount of such securities due to the fact that the value of the derivative is determined by reference or in relation to the price or value of such securities, irrespective of whether (i) such derivative conveys or confers to any person, or otherwise has ascribed to it, any voting rights or voting power or (ii) such derivative is capable of being or required to be settled by the payment of cash or through the delivery of such securities.
9. **Effect of Agreement.**

No agreement providing for any Transaction currently exists and none shall be deemed to exist between the parties hereto unless and until a definitive written agreement for any such Transaction is hereafter negotiated, executed and delivered with the intention of being legally binding upon the parties hereto and any other necessary parties thereto. The parties hereto agree that unless and until a definitive agreement between them with respect to a Transaction has been executed and delivered by them and any such other parties, with the intention of being legally binding as aforesaid, neither party nor any of their respective affiliates shall be under any obligation of any kind whatsoever with respect to a Transaction, including any obligation to commence or continue discussions or negotiations with respect to a Transaction, by virtue of this Agreement or any other written or oral expression with respect to such a Transaction by the parties hereto or any of their Representatives. Without limiting the foregoing, you acknowledge and agree that the Company may disclose information about itself to, and enter into negotiations with, other persons or entities at any time without any obligation to notify you of such disclosure or negotiations.

10. **Designated Contact Persons.**

All communications with the Company regarding a Transaction, requests for additional information, requests for facility tours or management meetings and discussions or questions regarding procedures by you or your Representatives will be directed exclusively to the contact person for the Company set forth herein, and neither you nor any of your Representatives (acting on your behalf or at your direction) will initiate or cause to be initiated any communication with any director, officer, employee, advisor, agent or regulator of the Company or its Representatives, other than such contact person, concerning the Evaluation Material (including any requests to obtain or discuss any Evaluation Material) or any possible Transaction, except for any contact in the ordinary course of business unrelated to the Transaction. The contact person for the Company is: Sean Klein; sklein@rosettastone.com.

11. **Non-Solicitation.**

You agree that, except as provided in a definitive agreement relating to a Transaction, for a period of one (1) year following the date of this Agreement, you shall not, and you shall not authorize, instruct, intentionally or knowingly encourage or facilitate the ability of any of your affiliates or any person acting on behalf of or in concert with you or any of your affiliates to, in any manner, directly or indirectly, solicit for employment or hire, or cause to be solicited or hired, any of the current officers or employees of the Company (a) with whom you have had first contact in connection with your consideration of the Transaction, (b) who first became known to you or your Representatives in connection with your consideration of the Transaction, (b) who first became known to you or your Representatives in connection with your consideration of the Transaction (other than through a general employee list) or (c) with respect to whom you or your Representatives has received Evaluation Material (other than through a general employee list that includes no more than employees names and titles/positions), in the case of each of clauses “(a)” through “(c),” so long as they are employed by the Company; provided, however, that the foregoing does not preclude you

It is expected that the Evaluation Material may contain material information about the disclosing party that has not been disclosed by the disclosing party to the public generally. Each party hereby acknowledges that it is aware, and it agrees to advise its Representatives who are informed as to the matters that are the subject of this Agreement, that state and U.S. federal laws, including securities laws, prohibit any person who has received from an issuer material, non-public information concerning the matters that are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any person under circumstances in which it is foreseeable that such person is reasonably likely to purchase or sell such securities.

13. Remedies.

Each party hereby acknowledges and agrees that money damages may not be a sufficient remedy for any actual or threatened breach of this Agreement by the other party or any of its Representatives and that, therefore, each party shall be entitled to seek equitable relief, including injunctions and specific performance, as a remedy for any such breach by the other party without necessity of posting any bond or other security, and without proof of any actual damages. Such remedies shall nonetheless not be deemed to be the exclusive remedies for a breach of this Agreement, and shall be in addition to all other remedies available to each party at law or equity.

14. Other Terms.

(a) Waivers and Amendments. No failure or delay by any party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right, power or privilege hereunder. This Agreement may only be amended by the execution and delivery of a written agreement to which you and the Company are signatories.

(b) Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal procedural and substantive laws of the State of Delaware, without reference to the conflict of law principles thereof to the extent that they would result in the application of the laws of another jurisdiction.

(c) Consent to Jurisdiction. The parties to this Agreement hereby irrevocably and unconditionally consent to submit to the jurisdiction of the courts of the State of Delaware or of the United States of America located in Delaware for any actions, suits or proceedings arising out of or relating to this Agreement and the transactions contemplated hereby, and further agree that service of any process, summons, notice or document by United States registered mail,
postage prepaid, to their address set forth herein shall be effective service of process for any action, suit or proceeding brought against it in any such
court. The parties to this Agreement hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding
arising out of this Agreement or the transactions contemplated hereby, in the courts of the State of Delaware or of the United States of America located
in Delaware, and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or
proceeding brought in any such court has been brought in an inconvenient forum.

(d) Entire Agreement. This Agreement contains the entire agreement between the parties hereto concerning the confidentiality of Transaction
Information and Evaluation Material, the standstill, the no-solicitation and the other subject matters set forth in this Agreement.

(e) Construction. The parties hereto acknowledge and agree that they have both participated in the negotiations and preparation of this Agreement.
Accordingly, the parties further agree that no presumption or burden of proof shall be raised in any question of interpretation of this Agreement based
upon any assertion that one party or the other has drafted this Agreement or any provision hereof.

(f) Company Legal Counsel. You acknowledge that the Company has engaged Law Firm (as defined below) as its legal counsel in connection with
the Transaction. Law Firm may also, now or in the future, represent you or one or more of your Representatives in connection with unrelated matters.
By entering into this Agreement, you will, and you will direct your Representatives to, (i) consent to the continued representation of the Company by
Law Firm in connection with the Transaction, and (ii) waive any actual or alleged conflict of Law Firm that may arise from its representation of the
Company in connection with the Transaction. This consent and waiver extends to Law Firm representing the Company (or any of its affiliates) against
you and/or any of your Representatives in litigation, arbitration or mediation in connection with this Agreement or a Transaction. Nothing contained
herein will be deemed to constitute a waiver of any attorney-client privilege, work product doctrine or any other applicable privilege concerning pending
or threatened legal proceedings or governmental investigations or consent to the disclosure of any Evaluation Material. In addition, you hereby
acknowledge that you have obtained independent legal advice with respect to this consent and waiver. As used herein, “Law Firm” refers to Hogan
Lovells US LLP, Hogan Lovells International LLP, Hogan Lovells Worldwide Group (a Swiss Verein), and their affiliated businesses.

(g) Miscellaneous. This Agreement may be executed and delivered by facsimile transmission of signed counterparts or in .pdf or similar format by
electronic mail transmission, and in any number of counterparts, each of which shall be deemed an original, with the same effect as if the signatures
thereto and hereto were upon the same instruments. Each party represents that the person signing this Agreement on such party’s behalf has been duly
authorized to execute this Agreement on behalf of such party, and each signatory hereof signing in a representative capacity warrants and represents that
he or she has been duly authorized by and on behalf of his or her respective principal to execute this Agreement. As used in this Agreement, (i) the verbs
“shall” and “will” shall be understood to have the same meaning and effect and to express a legal obligation and (ii) the word “including” and other
forms of the verb “include” shall be understood to mean inclusion “without limitation.”
(h) **Term.** This Agreement shall terminate and expire two (2) years from the date of this Agreement.

(i) **Other Provisions.** Notwithstanding anything to the contrary contained in this Agreement, the restrictions and obligations under this Agreement shall not apply to any of your Representatives (including, without limitation, affiliates) who (i) has not been furnished or provided with any Evaluation Material and (ii) is not made aware of any Transaction Information by or on behalf of you. The Company acknowledges that one or more of Veritas’ employees, consultants and advisors may serve as board members, officers, employees, or advisors of your sister portfolio companies or other companies (such individuals, dual role persons) and no such portfolio company or other company will be deemed to have received, or to have been made aware of, Evaluation Material solely due to such dual roles of such dual role persons, so long as such dual role persons do not provide any Evaluation Material to the other board members, officers, employees or advisors of such company (excluding other dual role persons). Nothing in this Agreement shall be construed as waiver of any rights or remedies with respect to fraud. Any written consent required hereunder may be given by e-mail.

[Signature Page Follows]
Please confirm your agreement with the foregoing by signing and returning one copy of this letter to the undersigned, whereupon this letter shall become a binding agreement between you and Rosetta Stone.

Very truly yours,

ROSETTA STONE INC.

By: /s/ Sean Klein
   Name:  Sean Klein
   Title:  General Counsel

Accepted and agreed as of the date first written above.

CAMBIUM HOLDING CORP.

By: /s/ Scott McWhorter
   Name: Scott McWhorter
   Title: General Counsel