

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

-----X
:
: Chapter 11
In re :
:
: Case No. 12-22052 (RDD)
Hostess Brands, Inc., *et al.*, :
:
: (Jointly Administered)
: Debtors. :
:
:
-----X

**JOINT PLAN OF REORGANIZATION OF
DEBTORS AND DEBTORS IN POSSESSION**

CORINNE BALL
HEATHER LENNOX
RYAN T. ROUTH (RR 1994)
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

October 10, 2012

¹ The Debtors are the following six entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Hostess Brands, Inc. (0322), IBC Sales Corporation (3634), IBC Services, LLC (3639), IBC Trucking, LLC (8328), Interstate Brands Corporation (6705) and MCF Legacy, Inc. (0599).



TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME..... 1
A.	Defined Terms 1
B.	Rules of Interpretation and Computation of Time 16
1.	Rules of Interpretation 16
2.	Computation of Time..... 17
ARTICLE II	CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS 17
A.	Unclassified Claims 17
1.	Payment of Administrative Claims 17
2.	Payment of Priority Tax Claims 20
B.	Classified Claims and Interests 20
1.	Priority Claims Against the Debtors (Class 1 Claims)..... 20
2.	Senior Secured Revolving Credit Claims Against the Debtors (Class 2A Claims) 21
3.	First Lien Term Loan Tranche A/B Designated Claims Against the Debtors (Class 2B Claims) 21
4.	First Lien Term Loan Tranche A/B Non-Designated Claims Against the Debtors (Class 2C Claims) 21
5.	First Lien Term Loan Tranche C Claims Against the Debtors (Class 2D Claims) 21
6.	Third Lien Term Loan Claims Against the Debtors (Class 2E Claims) 21
7.	Other Secured Claims Against the Debtors (Class 2F Claims)..... 21
8.	General Unsecured Claims Against the Debtors (Class 3 Claims) 22
9.	Prepetition Intercompany Claims (Class 4 Claims)..... 22
10.	Old Common Stock of Hostess Interests (Class 5 Interests)..... 22
11.	Subsidiary Debtor Equity Interests (Class 6 Interests) 22
C.	Special Provisions Regarding the Treatment of Allowed Secondary Liability Claims; Maximum Recovery 22
ARTICLE III	MEANS FOR IMPLEMENTATION OF THE PLAN 22
A.	Continued Corporate Existence and Vesting of Assets 22
B.	Restructuring Transactions 23
1.	Restructuring Transactions Generally..... 23
2.	Obligations of Any Successor Corporation in a Restructuring Transaction 23
C.	New Stockholder Agreement 23
D.	Corporate Governance and Directors and Officers 24
1.	Certificates of Incorporation and Bylaws of Reorganized Hostess..... 24
2.	Directors and Officers of Reorganized Hostess 24
E.	New Hostess Common Stock..... 24
1.	Issuance of New Hostess Common Stock..... 24

Pg 3 of 60
TABLE OF CONTENTS

(continued)

	Page
F. Implementation of Global Resolution and Non-Consenting Union 1113/1114 Orders	25
1. Assumption and Assignment of Collective Bargaining Agreements	25
2. Withdrawal From and Re-Entry Into MEPPs	25
3. Union Concession Distribution Property	25
4. Distribution and Allocation of Union Concession Distribution Property	25
G. Excess Cash	25
H. Employment, Retirement and Other Related Agreements; Cessation of Retiree Benefits; Workers' Compensation Programs	26
1. Employment-Related Agreements	26
2. Retiree Benefits	26
3. Company Pension Plan	26
4. Continuation of Workers' Compensation Programs	26
5. Equity Incentive Plan	26
I. Confirmation Cash Infusion	26
J. Corporate Action	27
K. Special Provisions Regarding Insured Claims	27
1. Limitations on Amounts to Be Distributed to Holders of Allowed Insured Claims	27
2. Assumption and Continuation of Insurance Policies	27
L. Preservation of Causes of Action by the Debtors and Reorganized Debtors	27
M. Cancellation and Surrender of Instruments, Securities and Other Documentation	28
N. Release of Liens	28
O. Effectuating Documents; Further Transactions	28
P. Exemption from Certain Transfer Taxes	28
ARTICLE IV TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES	29
A. Executory Contracts and Unexpired Leases to Be Assumed	29
1. Assumption and Assignment, Generally	29
2. Assumptions and Assignments of Ancillary Agreements	29
B. Payments Related to the Assumption of Executory Contracts or Unexpired Leases	29
C. Contracts and Leases Entered Into or Assumed After the Petition Date	30
D. Rejection of Executory Contracts and Unexpired Leases	30
1. Agreements to Be Rejected	30
2. Procedures Relating to Rejection	30
E. Bar Date for Rejection Damages	30
F. Approval of Assumptions and Assignments and Related Procedures	30
G. Obligations to Indemnify Directors, Officers and Employees	31

Pg 4 of 60
TABLE OF CONTENTS

(continued)

	Page
H. No Change in Control	32
ARTICLE V PROVISIONS GOVERNING DISTRIBUTIONS	32
A. Distributions for Claims Allowed as of the Effective Date.....	32
B. Method of Distributions and Calculation of Amounts to be Distributed.....	32
1. Determination of Aggregate Amount of New First Lien Term Loans.....	32
2. Distributions of First Lien Term Loan Tranche A/B Designated Plan Distribution Property and Distribution on Allowed First Lien Term Loan Tranche C Claims	33
3. Distributions of First Lien Term Loan Tranche A/B Non-Designated Plan Distribution Property	33
4. Distribution of Third Lien Term Loan Plan Distribution Property	33
5. Distribution of Union Concession Distribution Property.....	34
6. Distributions for Claims and Interests Allowed as of the Effective Date	34
C. Compensation and Reimbursement for Services Related to Distributions.....	34
D. Distributions to Holders of Allowed Compromise Administrative Claims.....	35
1. Funding of the Compromise Administrative Claim Reserve.....	35
2. Distributions to Holders of Compromise Administrative Claims.....	35
3. Cash Receipts and Distributions	35
4. Recourse	35
E. Delivery of Distributions and Undeliverable or Unclaimed Distributions.....	36
1. Delivery of Distributions	36
2. Undeliverable Distributions Held by Disbursing Agents.....	36
F. Timing and Calculation of Amounts to Be Distributed	36
1. Distributions to Holders of Allowed Claims.....	36
2. Interest on Claims	37
3. De Minimis Distributions	37
4. Distributions of New Hostess Common Stock – No Fractional Shares; Rounding	37
G. Distribution Record Date	37
H. Means of Cash Payments	37
I. Establishment of Reserves	37
J. Withholding and Reporting Requirements.....	37
K. Reorganized Debtor Setoffs	38
L. Application of Distributions.....	38
ARTICLE VI PROCEDURES FOR RESOLVING DISPUTED CLAIMS	38
A. Treatment of Disputed Claims	38
1. ADR Procedures	38

Pg 5 of 60
TABLE OF CONTENTS

(continued)

	Page
2. Tort Claims	38
3. Disputed Insured Claims.....	39
4. No Distributions Until Allowance	39
B. Prosecution of Objections to Claims	39
1. Objections to Claims.....	39
2. Extension of Claims Objection Bar Date.....	40
3. Authority to Prosecute Objections	40
4. Authority to Amend Schedules.....	40
C. Distributions on Account of Disputed Claims Once Allowed	40
ARTICLE VII SUBSTANTIVE CONSOLIDATION	40
A. Substantive Consolidation.....	40
B. Order Granting Consolidation.....	40
ARTICLE VIII CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN	41
A. Conditions Precedent to Confirmation.....	41
B. Conditions Precedent to the Effective Date	41
C. Waiver of Conditions to the Confirmation or Effective Date	42
D. Effect of Nonoccurrence of Conditions to the Effective Date	42
ARTICLE IX CRAMDOWN	42
ARTICLE X EFFECT OF CONFIRMATION OF THE PLAN	42
A. Creditors' Committee	42
B. Comprehensive Settlement of Claims and Controversies	43
C. Discharge of Claims and Termination of Interests.....	43
1. Complete Satisfaction, Discharge and Release.....	43
2. Discharge and Termination.....	43
D. Injunction	43
E. Releases	44
1. General Releases by the Debtors and the Reorganized Debtors	44
2. General Releases by Holders of Claims or Interests.....	44
3. Release of Released Parties by Other Released Parties	45
F. Exculpation	45
G. Plan Impact on Prepetition Secured Claims	45
H. Termination of Certain Subordination Rights	46
ARTICLE XI RETENTION OF JURISDICTION	46
ARTICLE XII MISCELLANEOUS PROVISIONS	47

Pg 6 of 60
TABLE OF CONTENTS

(continued)

	Page
A. Modification of the Plan	47
B. Revocation of the Plan	47
C. Successors and Assigns.....	48
D. The Union Settlement Agreements	48
E. Service of Documents.....	48
1. The Debtors and Reorganized Debtors	48
2. The Creditors' Committee.....	48
3. Certain of the Unions.....	49
4. DIP Lender Agent, First Lien Term Loan Agent & Third Lien Term Loan Agent	49
5. The Senior Secured Revolving Credit Agent.....	50
6. The Fourth Lien Notes Indenture Trustee.....	50
7. The United States Trustee.....	50

TABLE OF EXHIBITS

Exhibit I.A.44	Consenting Unions
Exhibit I.A.47	Debtors in the Chapter 11 Cases
Exhibit I.A.72	Principal Terms of the Exit Facility
Exhibit I.A.105	Schedule of Imposed Collective Bargaining Agreements
Exhibit I.A.115	Principal Terms of the New First Lien Term Loan Facility
Exhibit I.A.120	Form of New Stockholders Agreement
Exhibit I.A.122	Principal Terms of the New Third Lien Term Loan Facility
Exhibit I.A.128	Non-Consenting Unions
Exhibit I.A.133	Schedule of Other Union Settlement Agreements
Exhibit I.A.154	Schedule of Retained Actions
Exhibit III.B.1	Restructuring Transactions
Exhibit III.D.1.a	Certificate of Incorporation (or Comparable Constituent Documents) of Reorganized Hostess and Form Certificates of Incorporation (or Comparable Constituent Documents) for the Other Reorganized Debtors
Exhibit III.D.1.b	Bylaws (or Comparable Constituent Documents) of Reorganized Hostess and Form Bylaws (or Comparable Constituent Documents) for the Other Reorganized Debtors
Exhibit III.D.2	Initial Directors and Officers of Reorganized Hostess and Each Other Reorganized Debtor
Exhibit III.F.1	Collective Bargaining and Related Agreements to be Assumed and Assigned
Exhibit IV.A.1	Executory Contracts and Unexpired Leases to be Assumed
Exhibit IV.D.1	Executory Contracts and Unexpired Leases to be Rejected

INTRODUCTION

Hostess Brands, Inc., a Delaware corporation, and the other five above-captioned debtors and debtors in possession (collectively, as further defined below, the "Debtors") propose the following joint plan of reorganization for the resolution of the outstanding claims against and equity interests in the Debtors. The Debtors are the proponents of the Plan (as such term is defined below) within the meaning of section 1129 of the Bankruptcy Code (as such term is defined below). Reference is made to the Debtors' Disclosure Statement (as such term is defined below), distributed contemporaneously with the Plan, for a discussion of the Debtors' assets, liabilities, history, businesses, properties, results of operations, historical financial information and for a summary and analysis of the Plan and the distributions to be made thereunder. Other agreements and documents supplement the Plan and have been or will be filed with the Bankruptcy Court (as such term is defined below). These supplemental agreements and documents are referenced in the Plan and the Disclosure Statement and will be available for review.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Defined Terms

As used in the Plan, capitalized terms have the meanings set forth below. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules (as each such term is defined below), will have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

1. "503(b)(9) Agreement" means an agreement between a Debtor or a Reorganized Debtor and a holder of a 503(b)(9) Claim that indicates the holder's agreement to treatment of such 503(b)(9) Claim or a portion thereof as a Consenting 503(b)(9) Claim.

2. "503(b)(9) Claim" means any Claim, pursuant to section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the Debtors in the 20 days immediately prior to the Petition Date and sold to the Debtors in the ordinary course of the Debtors' businesses.

3. "Administrative Claim" means a Claim against a Debtor or its Estate arising prior to the Effective Date for a cost or expense of administration in the Chapter 11 Cases that is entitled to priority or superpriority under sections 364(c)(1), 503(b), 503(c), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries, commissions for services and payments for inventories, leased equipment and premises); (b) Claims under the DIP Credit Agreement; (c) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under sections 330(a) or 331 of the Bankruptcy Code, including Professional Fee Claims and Compromise Professional Fee Claims; (d) 503(b)(9) Claims and Consenting 503(b)(9) Claims; (e) all fees and charges assessed against the Estates under chapter 123 of title 28, United States Code, 28 U.S.C. §§ 1911-1930; and (f) all Intercompany Claims arising on or after the Petition Date.

4. "ADR Injunction" means the injunction set forth at Section I.B of the ADR Procedures, as approved pursuant to paragraph 2 of the ADR Order.

5. "ADR Order" means the Order, Pursuant to Sections 105 and 502 of the Bankruptcy Code, Bankruptcy Rules 3007 and 9019 and Local Bankruptcy Rule 9019-1, Approving Alternative Dispute Resolution Procedures to Promote the Resolution of Certain Prepetition Claims (Docket No. 1085), entered by the Bankruptcy Court on June 11, 2012, as it may be amended or supplemented from time to time.

6. "ADR Procedures" means the alternative dispute resolution procedures approved by the ADR Order, as such procedures may be modified by further order of the Bankruptcy Court.

7. "Allowed ... Claim" means an Allowed Claim in the particular Class or category specified.

8. "Allowed Claim" means:
- a. a Claim that (i) has been listed by a particular Debtor on its Schedules as other than disputed, contingent or unliquidated and (ii) is not a Disputed Claim;
 - b. a Claim (i) for which a proof of Claim or request for payment of Administrative Claim (or similar request) has been Filed by the applicable Bar Date or otherwise has been deemed timely Filed under applicable law and (ii) that is not a Disputed Claim;
 - c. a Claim that is expressly allowed: (i) in any Stipulation of Amount and Nature of Claim executed by the Debtors and the Claim holder; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or
 - d. a Claim that the Debtors or Reorganized Debtors, in their sole discretion, determine prior to the Claims Objection Bar Date (i) will not be subject to an objection or to an amendment to the Schedules and (ii) will be satisfied in accordance with the terms of the Plan.
9. "Assets" means all of a Debtor's property, rights and interests that are property of a Debtor's Estate pursuant to section 541 of the Bankruptcy Code.
10. "Assumed Collective Bargaining Agreements" means, collectively, those certain collectively bargained labor contracts among the Debtors and the Unions identified on Exhibit III.F.1 hereto, and any related modification agreements, extension agreements and side agreements, expressly including the modifications made to such contracts under the Union Settlement Agreements.
11. "Ballot" means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which the holder indicates either acceptance or rejection of the Plan and (when applicable) any election for treatment of such Claim under the Plan.
12. "Bankruptcy Code" means title 11 of the United States Code, as now in effect or hereafter amended, as applicable to these Chapter 11 Cases.
13. "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of New York.
14. "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the local rules of the Bankruptcy Court, as now in effect or hereafter amended.
15. "Bar Date" means the applicable bar date by which a proof of Claim must be, or must have been, Filed, as established by an order of the Bankruptcy Court, including a Bar Date Order and the Confirmation Order, and which was April 24, 2012 for most General Unsecured Claims.
16. "Bar Date Order" means any order of the Bankruptcy Court establishing Bar Dates for Filing proofs of Claim in the Chapter 11 Cases, including, but not limited to, (a) the Order, Pursuant to Sections 105, 501 and 503 of the Bankruptcy Code, Bankruptcy Rules 2002 and 3003(c)(3) and Local Bankruptcy Rule 3003-1, Establishing Bar Dates for Filing Proofs of Claim and Approving Form and Manner of Notice Thereof, entered on March 14, 2012 (Docket No. 516) and (b) the Order, Pursuant to Sections 105(a) and 503 of the Bankruptcy Code and Bankruptcy Rules 3002 and 3003, Establishing Procedures for the Assertion of Section 503(b)(9) Claims Relating to Goods Received Within Twenty Days Prior to the Petition Date, entered on January 27, 2012 (Docket No. 215), as any such orders may be amended, modified or supplemented.
17. "BCTGM" means the Bakery, Confectionery, Tobacco Workers & Grain Millers International Union.

18. "BCTGM Local Unions" means the Consenting Unions affiliated with the BCTGM identified on Exhibit I.A.44.

19. "BCTGM Settlement Agreement" means the Letter of Understanding for the Restructuring of Hostess Brands entered into by and between certain of the BCTGM Local Unions and Interstate Brands, dated August 29, 2012, any exhibits thereto and any ancillary agreements related thereto, approved by the Global Settlement Order, as it may be amended, supplemented or modified.

20. "Business Day" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

21. "Cash" means legal tender of the United States of America and equivalents thereof.

22. "Cash Investment Yield" means the net yield (*i.e.*, net of, *inter alia*, applicable Taxes, fees and other expenses) earned by the applicable Disbursing Agent from the investment of Cash held pending distribution pursuant to the Plan, which investment will be in a manner consistent with the Reorganized Debtors' investment and deposit guidelines.

23. "Causes of Action" means, without limitation, any and all actions, causes of action, controversies, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever of any of the Debtors or their Estates, whether known or unknown, reduced to judgment, liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise.

24. "Chapter 11 Cases" means, collectively, the cases commenced under chapter 11 of the Bankruptcy Code by the Debtors in the Bankruptcy Court, being jointly administered under Case No. 12-22052 (RDD).

25. "Claim" means a claim (as defined in section 101(5) of the Bankruptcy Code) against a Debtor.

26. "Claims and Noticing Agent" means Kurtzman Carson Consultants LLC.

27. "Claims Objection Bar Date" means, for all Claims other than Allowed Claims, the latest of: (a) 180 days after the Effective Date, subject to extension by order of the Bankruptcy Court; (b) 90 days after the Filing of a proof of Claim for such Claim; and (c) such other period of limitation as may be specifically fixed by the Plan, the Confirmation Order, the Bankruptcy Rules or other order of the Bankruptcy Court.

28. "Class" means a class of Claims or Interests, as described in Article II.

29. "Company Pension Plan" means the IBC Defined Benefit Plan, a tax-qualified defined benefit pension plan covered by ERISA.

30. "Compromise Administrative Claim" means either a Consenting 503(b)(9) Claim or a Compromise Professional Fee Claim.

31. "Compromise Administrative Claim Reserve" means the reserve of Compromise Administrative Claim Reserve Assets maintained by the Reorganized Debtors for Distributions to holders of Allowed Compromise Administrative Claims, which reserve will not constitute property of the Reorganized Debtors.

32. "Compromise Administrative Claim Reserve Assets" means (a) 50% of any Excess Cash and (b) any Reserved Cash.

33. "Compromise Fee Professionals" means Bailey & Ehrenberg PLLC; The Blackstone Group, L.P.; Bryan Cave LLP; Cohen, Weiss & Simon LLP; Conway, Del Genio, Gries & Co., LLC (n/k/a CDG Group, LLC); Curtis, Mallet-Prevost, Colt & Mosle LLP; Debevoise & Plimpton LLP; Fortgang Consulting LLC; FTI Consulting, Inc.; Fulbright & Jaworski L.L.P.; Garden City Group, Inc.; Glanzer & Company LLC; John Wells; Jones Day;

Kobi Partners LLC; Kramer Levin Naftalis & Frankel LLP; Kurtzman Carson Consultants LLC; Lazard Frères & Co. LLC; MAEVA Advisors, LLC; Paul, Weiss, Rifkind, Wharton & Garrison LLP; Paul Hastings LLP; Perella Weinberg Partners; Potok & Co., Inc.; Proskauer Rose LLP; Sitrick and Company; Stinson Morrison Hecker LLP; Thompson & Knight LLP; Venable LLP; Willkie Farr & Gallagher LLP; and any other professional that becomes entitled to compensation pursuant to section 503(b)(4) of the Bankruptcy Code.

34. "Compromise Professional Fee Claim" means, for each Compromise Fee Professional, 18% of the Total Compromise Fee Claim, whether paid on the Effective Date or otherwise.

35. "Confirmation" means the entry of the Confirmation Order on the docket of the Bankruptcy Court.

36. "Confirmation Cash Infusion" means a transaction or set of transactions that generate(s) sufficient value to effectuate the reorganization contemplated herein.

37. "Confirmation Date" means the date on which the Bankruptcy Court enters the Confirmation Order on its docket, within the meaning of Bankruptcy Rules 5003 and 9021.

38. "Confirmation Exhibits" means, collectively, the documents listed on the "Table of Exhibits" included herein, which documents will be Filed no later than seven calendar days before the Confirmation Hearing, to the extent not filed earlier; *provided, however*, that (a) Exhibits IV.A.1 and IV.D.1 will be filed no later than seven calendar days prior to the Voting Deadline and (b) Exhibits I.A.44, I.A.47, I.A.115, I.A.120, I.A.122, I.A.128, I.A.133, I.A.154 and III.F.1 will be either (i) included in any solicitation materials distributed to holders of Claims in Classes entitled to vote to accept or reject the Plan or (ii) Filed as a supplement to the Plan no later than seven calendar days prior to the Voting Deadline. All Confirmation Exhibits will be made available on the Document Website once they are Filed. The Debtors reserve the right, in accordance with the terms hereof, to modify, amend, supplement, restate or withdraw any of the Confirmation Exhibits after they are Filed and shall promptly make such changes available on the Document Website.

39. "Confirmation Hearing" means the hearing held by the Bankruptcy Court on Confirmation of the Plan, as such hearing may be continued from time to time.

40. "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

41. "Consenting 503(b)(9) Claim" means a 503(b)(9) Claim (or a portion thereof) held by a Consenting 503(b)(9) Claimant with respect to which the Consenting 503(b)(9) Claimant has agreed to the treatment set forth at Section II.A.1.b.

42. "Consenting 503(b)(9) Claimant" means any holder of a 503(b)(9) Claim that has a 503(b)(9) Agreement with the Debtors or the Reorganized Debtors.

43. "Consenting Other Union" means a Consenting Union identified on Exhibit I.A.44 other than the BCTGM Local Unions, the IBT and the IBT Local Unions.

44. "Consenting Unions" means, collectively, those unions identified on Exhibit I.A.44, which are the union parties to the Union Settlement Agreements.

45. "Creditors' Committee" means the statutory official committee of unsecured creditors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, as such appointment has been subsequently modified.

46. "Cure Amount Claim" means any Claim that could be asserted based upon a Debtor's defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by such Debtor under section 365 of the Bankruptcy Code, including any amounts necessary to be paid to assume such Executory Contract or Unexpired Lease under section 365 of the Bankruptcy Code.

47. "Debtors" means, collectively, the above-captioned debtors and debtors in possession identified on Exhibit I.A.47.

48. "Deficiency Claim" means a General Unsecured Claim for the difference between (a) the total amount of an Allowed Claim and (b) the portion of such Allowed Claim that constitutes an Allowed Secured Claim.

49. "Derivative Claim" means a claim (as defined in section 101(5) of the Bankruptcy Code) or cause of action that is the property of any of the Debtors' Estates pursuant to section 541 of the Bankruptcy Code.

50. "DIP Credit Agreement" means the Debtor-in-Possession Credit, Guaranty and Security Agreement, dated as of January 12, 2012 (as the same may have been subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto) among Hostess and Interstate Brands (as borrowers), the Subsidiary Debtor guarantors signatory thereto, the DIP Lender Agent and the other lenders party thereto.

51. "DIP Lender Agent" means Silver Point, in its capacity as administrative agent and collateral agent under the DIP Credit Agreement.

52. "DIP Lender Claim" means any Claim of the DIP Lender Agent or the DIP Lenders against a Debtor under or evidenced by (a) the DIP Credit Agreement and (b) the Final DIP Order.

53. "DIP Lenders" means, collectively, those entities identified as "Lenders" in the DIP Credit Agreement and their respective permitted successors and assigns (solely in their capacity as "DIP Lenders" under the DIP Credit Agreement).

54. "DIP Notice Parties" means, collectively: (a) the Reorganized Debtors; (b) the DIP Lender Agent; (c) the Senior Secured Revolving Credit Agent; (d) the First Lien Term Loan Agent; (e) the Third Lien Term Loan Agent; (f) the Fourth Lien Notes Indenture Trustee; (g) the United States Trustee; and (h) the Creditors' Committee.

55. "Disbursing Agent" means, as applicable, any Reorganized Debtor in its capacity as disbursing agent pursuant to Article V or any Third Party Disbursing Agent.

56. "Disclosure Statement" means the Disclosure Statement with Respect to Joint Plan of Reorganization of Debtors and Debtors in Possession, dated October 10, 2012 (including all exhibits and schedules thereto or referenced therein) that relates to the Plan that has been prepared and distributed by the Debtors, as plan proponents, pursuant to section 1125(g) of the Bankruptcy Code, as the same may be amended, modified or supplemented.

57. "Disputed ... Claim" means a Disputed Claim in the particular Class or category specified.

58. "Disputed Claim" means any Claim (including any Tort Claim until it is an Allowed Claim):

a. if no proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, (i) a Claim that is listed on a Debtor's Schedules as disputed, contingent or unliquidated or (ii) a Claim that is not listed on a Debtor's Schedules;

b. prior to and on the Claims Objection Bar Date, if a proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, all Claims that have not been expressly allowed (i) in any Stipulation of Amount and Nature of Claim executed by the Debtors or the Reorganized Debtors and the Claim holder; (ii) in any contract, instrument or other agreement entered into in connection with the Plan and, if prior to the Effective Date, approved by the Bankruptcy Court; (iii) in a Final Order; or (iv) pursuant to the terms of the Plan; or

c. after the Claims Objection Bar Date, if a proof of Claim has been Filed by the applicable Bar Date or has otherwise been deemed timely Filed under applicable law, any such Claim for which the Debtors or

the Reorganized Debtors have Filed an objection in the Bankruptcy Court, and such objection has not been resolved in its entirety by a Final Order or withdrawn (and for which there is no agreement with the Claim holder to treat the Claim as a Disputed Claim for a period of time after the Claim Objection Bar Date).

Notwithstanding the above, if a Claim is an Allowed Claim under the definition set forth herein, it shall not also be considered to be a Disputed Claim.

59. "Distribution" means a distribution under the Plan of Cash, notes, securities, interests or other property, as may be applicable, to the holders of Allowed Claims in accordance with and subject to the terms of the Plan.

60. "Distribution Date" means a date selected by the Reorganized Debtors in accordance with the terms of the Plan to make Distributions on account of Allowed Claims.

61. "Distribution Record Date" means the close of business on the Confirmation Date.

62. "Document Website" means the internet site address <http://www.kccllc.net/hostess> at which all of the Confirmation Exhibits and schedules to the Plan and the Disclosure Statement will be available to the public.

63. "Effective Date" means a day, as determined by the Debtors, that is the Business Day as soon as reasonably practicable after all conditions to the Effective Date in Section VIII.B have been met or waived in accordance with Section VIII.C.

64. "Equity Incentive Plan" means an incentive plan for management to be implemented by Reorganized Hostess after the Effective Date that will reserve a certain percentage of fully-diluted outstanding shares of New Hostess Common Stock.

65. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. §§ 1001, et seq.

66. "Estate" means, as to each Debtor, the estate created for such Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

67. "Excess Cash" means the amount by which the sum of (a) unrestricted Cash held by the Reorganized Debtors (as determined in accordance with GAAP) as of the Effective Date and (b) the amount of unused commitments that are available to be borrowed by the Debtors under the Exit Facility as of the Effective Date (after the transactions to be effected on the Effective Date have been completed) exceeds \$120 million, as determined in accordance with Section III.G.

68. "Excess Cash Record Date" means the date of the Professional Final Fee Hearing.

69. "Excess Professional Fee Payment" means the amount by which the Cash actually paid (whether directly or indirectly) to a Compromise Fee Professional by the Debtors or the Reorganized Debtors with respect to the Total Compromise Fee Claim exceeds, for each Compromise Fee Professional, 82% of the Total Compromise Fee Claim.

70. "Exchange Act" means the Securities Exchange Act of 1934, as amended.

71. "Executory Contract or Unexpired Lease" means a contract or lease to which a Debtor is a party that is subject to assumption, assumption and assignment or rejection under section 365 of the Bankruptcy Code and includes any modifications, amendments, addenda or supplements thereto or restatements thereof.

72. "Exit Facility" means a senior secured revolving credit facility that will be entered into by Reorganized Hostess and/or one or more of the other Reorganized Debtors, the Exit Facility Agent and the lenders from time to time party thereto, on substantially the terms set forth on Exhibit I.A.72.

73. "Exit Facility Agent" means the agent for the lenders under the Exit Facility.

74. "Face Amount" means (a) if a proof of Claim has been filed: (i) if only a liquidated amount is provided on the proof of Claim, the full stated amount claimed by the holder of such Claim in any proof of Claim filed by the applicable Bar Date, (ii) if a portion of the Claim is unliquidated, an amount proposed by the Debtors or the Reorganized Debtors in their reasonable estimation if they were unsuccessful in litigating the Claim to a Final Order, such amount to not be less than the liquidated amount of the Claim; *provided, however*, that in each case, if a party requests that the amount of the Claim be estimated for purposes of calculating distributions, the Face Amount shall be the amount so estimated by the Bankruptcy Court; or (b) if a proof of Claim has not been filed: (i) the amount set forth in the Schedules, if such amount is liquidated; or (ii) an amount reasonably estimated, in the discretion of the Debtors or the Reorganized Debtors, to account for a proof (or proofs) of Claim not yet Filed that potentially could be Filed by an applicable Bar Date.

75. "Fee Order" means the Order, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1, Establishing Procedures for Interim Monthly Compensation for Professionals (Docket No. 212), entered by the Bankruptcy Court on January 27, 2012.

76. "File," "Filed" or "Filing" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

77. "Final DIP Order" means the Final Order (I) Authorizing Debtors to (A) Obtain Post-Petition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362 and 364 and (B) Utilize Cash Collateral Pursuant to 11 U.S.C. § 363, and (II) Granting Adequate Protection to Pre-Petition Secured Parties (Docket No. 254), entered by the Bankruptcy Court on February 3, 2012, as it may have been or may be amended from time to time.

78. "Final Distribution Date" means the date that is between 60 and 90 days after all Disputed Claims have been resolved, as selected by the Reorganized Debtors, which shall be the date the final Distribution is made under this Plan.

79. "Final Order" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in the Chapter 11 Cases or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or petition for certiorari or move for a new trial, reargument or rehearing has expired, and as to which no appeal or petition for certiorari or other proceeding for a new trial, reargument or rehearing that has been timely taken is pending, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order.

80. "First Lien Term Loan Agent" means Silver Point in its capacity as administrative agent and collateral agent under the First Lien Term Loan Facility.

81. "First Lien Term Loan Facility" means the Credit and Guaranty Agreement, dated as of February 3, 2009 (as the same may have been subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto), by and among Hostess and Interstate Brands (as tranche A and tranche C borrowers) and Debtor IBC Sales Corporation (as tranche B borrower), the Subsidiary Debtor guarantors signatory thereto, the lenders party thereto and the First Lien Term Loan Agent.

82. "First Lien Term Loan Lenders" means, collectively, the lenders party to the First Lien Term Loan Facility or their successors or assigns.

83. "First Lien Term Loan Notes" means the promissory notes or other similar instruments, if any, evidencing the First Lien Term Loans.

84. "First Lien Term Loan Tranche A/B Claims" means, collectively, any Claim of the First Lien Term Loan Agent or the First Lien Term Loan Lenders arising under, evidenced by or in connection with tranche A and/or tranche B of the First Lien Term Loan Facility.

85. "First Lien Term Loan Tranche A/B Designated Claims" means, collectively, any First Lien Term Loan Tranche A/B Claims entitled to priority of payment over other First Lien Term Loan Tranche A/B Claims pursuant to the terms of clause seventh, eighth, ninth or tenth of Section 2.12(g) of the First Lien Term Loan Facility.

86. "First Lien Term Loan Tranche A/B Non-Designated Claims" means, collectively, any First Lien Term Loan Tranche A/B Claims that are not First Lien Term Loan Tranche A/B Designated Claims.

87. "First Lien Term Loan Tranche A/B Designated Plan Distribution Property" means, collectively, (a) the New First Lien Tranche A Term Loans, (b) up to \$59 million in Cash and (c) 50% of any Excess Cash.

88. "First Lien Term Loan Tranche A/B Non-Designated Plan Distribution Property" means the New First Lien Tranche B Term Loans.

89. "First Lien Term Loan Tranche C Claims" means, collectively, any Claim of the First Lien Term Loan Agent or the First Lien Term Loan Lenders arising under, evidenced by or in connection with tranche C of the First Lien Term Loan Facility.

90. "First Lien Term Loans" means the loans made or deemed made by the First Lien Term Loan Lenders under the First Lien Term Loan Facility.

91. "Fourth Lien Noteholder Claim" means any Claim against a Debtor arising under, evidenced by or in connection with the Fourth Lien Notes, which Claim includes, but is not limited to, principal and interest as of the Petition Date, with no provision for the accrual of postpetition interest.

92. "Fourth Lien Notes" means, collectively, the Series A 2019 Notes, the Series B 2019 Notes and the Series C 2019 Notes.

93. "Fourth Lien Notes Indenture" means the Indenture among Hostess, as issuer, the Subsidiary Debtor guarantors signatory thereto and the Fourth Lien Notes Indenture Trustee, as trustee and as collateral trustee, dated February 3, 2009, as supplemented by the Supplemental Indenture dated March 30, 2011, relating to (a) the \$85.8 million principal amount Series A 2019 Notes, (b) the \$85.8 million principal amount Series B 2019 Notes and (c) the \$30 million principal amount Series C 2019 Notes, as the same may have been subsequently modified, amended, supplemented or otherwise revised from time to time, together with all instruments, documents and agreements related thereto.

94. "Fourth Lien Notes Indenture Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee and as collateral trustee under the Fourth Lien Notes Indenture.

95. "GAAP" means generally accepted accounting principles as promulgated by the Financial Accounting Standards Board and in effect in the United States as of the date hereof.

96. "General Bar Date" means April 24, 2012, the Bar Date for most General Unsecured Claims asserted against the Debtors that was established by the Bar Date Order.

97. "General Unsecured Claim" means any Claim (including, but not limited to, any Deficiency Claim) that is not an Administrative Claim, Secured Claim, Cure Amount Claim, Priority Claim, Priority Tax Claim or Intercompany Claim.

98. "Global Resolution" means, collectively: (a) the settlement among the Debtors and the Consenting Unions documented in the Union Settlement Agreements and their respective exhibits, appendices and

ancillary agreements; and (b) any relief granted and to be implemented pursuant to the Non-Consenting Union 1113/1114 Orders.

99. "Global Settlement Order" means the **[Order Approving Settlement Agreements with Certain Unions, Pursuant to 11 U.S.C. §§ 1113 and 1114(e) and Federal Rule of Bankruptcy Procedure 9019]** (Docket No. []), entered on [], 2012, and the exhibits thereto, as it may be amended, supplemented or modified from time to time.

100. "Hostess" means Debtor Hostess Brands, Inc. (f/k/a Interstate Bakeries Corporation).

101. "IBC-IBTNNC" means the IBC-IBT National Negotiating Committee for the IBT Local Unions.

102. "IBT" means the International Brotherhood of Teamsters and its applicable affiliated union entities (including, but not limited to, the IBC-IBTNNC).

103. "IBT Local Unions" means the local unions affiliated with the IBT that represent the Debtors' or Reorganized Debtors' employees.

104. "IBT Settlement Agreement" means the Letter of Understanding for the Restructuring of Hostess Brands entered into by and between the IBC-IBTNNC, the IBT and Interstate Brands, dated August 11, 2012, any exhibits thereto and any ancillary agreements related thereto, approved by the Global Settlement Order, as it may be amended, supplemented or modified from time to time.

105. "Imposed Collective Bargaining Agreements" means the terms and conditions and governing agreements, if any, that dictate the terms of the employer-employee relationship that were previously governed by those certain collectively bargained labor agreements among the Debtors and the Non-Consenting Unions identified on Exhibit I.A.105, which were rejected during the Chapter 11 Cases by the Non-Consenting Union 1113/1114 Orders.

106. "Insured Claim" means that portion of any Claim arising from an incident or occurrence alleged to have occurred prior to the Effective Date that is covered under an insurance policy applicable to the Debtors or their businesses; *provided that* claims for benefits and liabilities arising under the Debtors' workers' compensation programs for which the Debtors or the Reorganized Debtors are responsible under applicable state workers' compensation law shall not be, and shall not be deemed, Insured Claims.

107. "Insurance Contract" means any policy of third party liability insurance under which any of the Debtors could have asserted or did assert, or may in the future assert, a right to coverage for any claim, together with any other contracts that pertain or relate to such policy.

108. "Insurer" means any company or other entity that issued, or is responsible for, a policy of third party liability insurance under which any of the Debtors could have asserted or did assert, or may in the future assert, a right to coverage for any claim under an Insurance Contract.

109. "Intercompany Claim" means any Claim by any Debtor against another Debtor.

110. "Interest" means the rights and interests of the holders of the Old Common Stock of any Debtor, any other instruments evidencing an ownership interest in a Debtor and the rights of any entity to purchase or demand the issuance of any of the foregoing, including: (a) redemption, conversion, exchange, voting, participation and dividend rights (including any rights in respect of accrued and unpaid dividends); (b) liquidation preferences; and (c) options and warrants.

111. "Interstate Brands" means Interstate Brands Corporation.

112. "Liabilities" means any and all claims, obligations, suits, judgments, damages, demands, debts, rights, Derivative Claims, causes of action and liabilities, whether liquidated or unliquidated, fixed or contingent,

matured or unmatured, known or unknown, foreseen or unforeseen, arising in law, equity or otherwise, that are based in whole or in part on any act, event, injury, omission, transaction, agreement, employment, exposure or other occurrence taking place on or prior to the Effective Date.

113. "MEPPs" means, collectively, those multi-employer pension plans to which the Debtors are or, since January 1, 2011, have been obligated to make contributions or other payments pursuant to collective bargaining or other agreements with a Union or under applicable law.

114. "New First Lien Term Loan Agent" means the administrative agent under the New First Lien Term Loan Facility.

115. "New First Lien Term Loan Facility" means the term loan facility in an aggregate principal amount to be determined in accordance with Section V.B.1 pursuant to which holders of First Lien Term Loan Tranche A/B Claims will be deemed to have made term loans on the terms set forth on Exhibit I.A.115 and otherwise in accordance with the terms of the agreements governing the New First Lien Term Loan Facility.

116. "New First Lien Term Loans" means, collectively, the New First Lien Tranche A Term Loans and New First Lien Tranche B Term Loans.

117. "New First Lien Tranche A Term Loans" means the loans made or deemed made by holders of First Lien Term Loan Tranche A/B Claims under the New First Lien Term Loan Facility, which will have payment priority over New First Lien Tranche B Term Loans.

118. "New First Lien Tranche B Term Loans" means the loans made or deemed made by holders of First Lien Term Loan Tranche A/B Claims under the New First Lien Term Loan Facility, which will be subordinate in right of payment to the New First Lien Tranche A Term Loans.

119. "New Hostess Common Stock" means the shares of common stock of Reorganized Hostess, authorized pursuant to the certificate of incorporation of Reorganized Hostess to be initially issued pursuant to the Plan as of the Effective Date.

120. "New Stockholders Agreement" means the stockholders agreement, substantially in the form of Exhibit I.A.120, deemed to become effective as of the Effective Date pursuant to Section III.C among Reorganized Hostess and each entity receiving New Hostess Common Stock pursuant to this Plan.

121. "New Third Lien Term Loan Agent" means the administrative agent under the New Third Lien Term Loan Facility.

122. "New Third Lien Term Loan Facility" means the term loan facility pursuant to which holders of Third Lien Term Loan Claims, the Unions and holders of Consenting 503(b)(9) Claims and Compromise Professional Fee Claims (or any trust(s) that may be established for their benefit) will be deemed to have made term loans on the terms set forth on Exhibit I.A.122 and otherwise in accordance with the terms of the agreements governing the New Third Lien Term Loan Facility.

123. "New Third Lien Term Loans" means, collectively, the New Third Lien Tranche A Term Loans, the New Third Lien Tranche B Term Loans and the New Third Lien Tranche C Term Loans.

124. "New Third Lien Tranche A Term Loans" means the loans made or deemed to be made by the holders of Third Lien Term Loan Claims under the New Third Lien Term Loan Facility, having the terms set forth on Exhibit I.A.122 and as otherwise set forth in the New Third Lien Term Loan Facility.

125. "New Third Lien Tranche B Term Loans" means the loans made or deemed to be made by the Unions in the initial aggregate principal amount of \$100 million, having the terms set forth on Exhibit I.A.122 and as otherwise set forth in the New Third Lien Term Loan Facility (which terms will provide that, although such New Third Lien Tranche B Term Loans will have full *pari passu* economic rights with the other New Third Lien Term

Loans, the lenders thereof will not have any voting or control rights (whether in a bankruptcy context, amendment context or otherwise) other than with respect to amendments, changes or supplements that materially disproportionately impair or affect such lenders' rights as compared to the holders of the New Third Lien Tranche A Term Loans or the New Third Lien Tranche C Term Loans; *provided, that* the New Third Lien Tranche B Term Loans may be made or deemed to have been made by, and all related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility may be delivered to, a trust or other appropriate entity established for the benefit of the Unions to the extent necessary or appropriate to comply with applicable non-bankruptcy laws.

126. "New Third Lien Tranche C Term Loans" means the loans made or deemed to be made by the holders of Consenting 503(b)(9) Claims and Compromise Professional Fee Claims, having the terms set forth on Exhibit I.A.122 and as otherwise set forth in the New Third Lien Term Loan Facility (which terms will provide that, although such New Third Lien Tranche C Term Loans will have full *pari passu* economic rights with the other New Third Lien Term Loans, the lenders thereof will not have any voting or control rights (whether in a bankruptcy context, amendment context or otherwise) other than with respect to amendments, changes or supplements that materially disproportionately impair or affect such lenders' rights as compared to the holders of the New Third Lien Tranche A Term Loans or the New Third Lien Tranche B Term Loans; *provided, that* the New Third Lien Tranche C Term Loans may be made or deemed to have been made by, and all related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility may be delivered to, a trust or other appropriate entity established for the benefit of holders of Consenting 503(b)(9) Claims and Compromise Professional Fee Claims to the extent necessary or appropriate to comply with applicable non-bankruptcy laws.

127. "New Third Lien Term Loans" means the loans made or deemed made by the lenders under the New Third Lien Term Loan Facility.

128. "Non-Consenting Union" means the unions or local affiliates of a union identified on Exhibit I.A.128, which are those unions for which the Debtors have obtained relief from the Bankruptcy Court pursuant to the Non-Consenting Union 1113/1114 Orders.

129. "Non-Consenting Union 1113/1114 Orders" means: (a) the Order Granting, With Respect to Certain Unions, the Debtors' Second Motion to Reject Certain Collective Bargaining Agreements Pursuant to Section 1113(c) of the Bankruptcy Code (Docket No. 1574), entered on October 4, 2012, as it may be amended, supplemented or modified from time to time; (b) the Order Granting Motion of Debtors and Debtors in Possession Pursuant to Sections 1113(c), 1113(e) and 1114 of the Bankruptcy Code and Bankruptcy Rule 9024 (Docket No. 1563), entered on October 4, 2012, as it may be amended, supplemented or modified from time to time; and (c) the **[Supplemental Order Granting, With Respect to Certain Local Unions, the Debtors' Second Motion to Reject Certain Collective Bargaining Agreements Pursuant to Section 1113(c) of the Bankruptcy Code]** (Docket No. []), entered on October [], 2012, as it may be amended, supplemented or modified from time to time.

130. "Notice Parties" means (a) prior to the Effective Date, the Debtors, the Creditors' Committee, the DIP Lender Agent, the First Lien Term Loan Agent, the Third Lien Term Loan Agent and the Fourth Lien Notes Indenture Trustee; and (b) on or after the Effective Date, the Reorganized Debtors.

131. "Old Common Stock" means, when used with reference to a particular Debtor, the common stock, membership interests, partnership interests or other capital stock issued by such Debtor and outstanding immediately prior to the Petition Date, and any options, warrants or other rights with respect thereto.

132. "Other Union" means a Union identified on Exhibit I.A.44 or Exhibit I.A.133 other than the BCTGM, the BCTGM Local Unions, the IBT and the IBT Local Unions.

133. "Other Union Settlement Agreements" means, collectively, those settlement agreements between Interstate Brands and a Consenting Other Union identified on Exhibit I.A.133, and the exhibits thereto and any ancillary agreements related thereto, approved by the Global Settlement Order, as they may be amended, supplemented or modified from time to time.

134. "Ordinary Course Professionals Order" means the Order Authorizing the Debtors' Retention and Compensation of Certain Professionals in the Ordinary Course of Their Businesses (Docket No. 211), entered by the Bankruptcy Court on January 27, 2012.

135. "Person" means any individual, firm, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization or other entity.

136. "Petition Date" means January 11, 2012, the date on which the Debtors Filed their petitions for relief commencing the Chapter 11 Cases.

137. "Plan" means this joint plan of reorganization for the Debtors, and all exhibits attached hereto or referenced herein, as the same may be amended, modified or supplemented.

138. "Prepetition Secured Lenders" means, collectively, the Senior Secured Revolving Credit Lenders, the First Lien Term Loan Lenders, the Third Lien Term Loan Lenders and the holders of the Fourth Lien Notes.

139. "Priority Claim" means a Claim that is entitled to priority in payment pursuant to section 507(a) of the Bankruptcy Code that is not an Administrative Claim or a Priority Tax Claim.

140. "Priority Tax Claim" means a Claim that is entitled to priority in payment pursuant to section 507(a)(8) of the Bankruptcy Code.

141. "Pro Rata" means, when used with reference to a Distribution of property to holders of Allowed Claims in a particular Class or other specified group of Claims pursuant to Article II, proportionately so that with respect to a particular Allowed Claim in such Class or in such group, the ratio of (a)(i) the amount of property to be distributed on account of such Claim to (ii) the amount of such Claim, is the same as the ratio of (b)(i) the amount of property to be distributed on account of all Allowed Claims in such Class or group of Claims to (ii) the amount of all Allowed Claims, as the case may be, in such Class or group of Claims. Until all Disputed Claims in a Class are resolved, Disputed Claims shall be treated as Allowed Claims in their Face Amount for purposes of calculating Pro Rata Distribution of property to holders of Allowed Claims in such Class.

142. "Professional" means (a) any professional employed in the Chapter 11 Cases pursuant to sections 327, 328, 363 or 1103 of the Bankruptcy Code (other than a professional entitled to receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order) (b) any professional seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code or an order of the Bankruptcy Court or (c) all Compromise Fee Professionals.

143. "Professional Fee Claim" means a Claim under sections 328, 330(a), 331 or 1103 of the Bankruptcy Code for services rendered, or reimbursement of expenses incurred, in connection with the Chapter 11 Cases.

144. "Professional Final Fee Hearing" means the hearing held by the Bankruptcy Court to consider the applications for final allowance of Professional Fee Claims filed in accordance with Section II.A.1.h.ii.A.

145. "Recovery Actions" means, collectively and individually, preference actions, fraudulent conveyance actions and other claims or Causes of Action under sections 544, 547, 548 and 550 of the Bankruptcy Code and other similar state law claims and Causes of Action.

146. "Reinstated" or "Reinstatement" means rendering a Claim or Interest unimpaired within the meaning of section 1124 of the Bankruptcy Code. Unless the Plan specifies a particular method of Reinstatement, when the Plan provides that a Claim or Interest will be Reinstated, such Claim or Interest will be Reinstated, at the Debtors' discretion, subject to the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent, in accordance with one of the following:

- a. The legal, equitable and contractual rights to which such Claim or Interest entitles the holder will be unaltered; or
- b. Notwithstanding any contractual provisions or applicable law that entitles the holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default:
 - i. any such default that occurred before or after the commencement of the applicable Chapter 11 Case, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code, will be cured;
 - ii. the maturity of such Claim or Interest as such maturity existed before such default will be reinstated;
 - iii. the holder of such Claim or Interest will be compensated for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law;
 - iv. if such Claim arises from any failure to perform a nonmonetary obligation, other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, the holder of such Claim will be compensated for any actual pecuniary loss incurred by such holder as a result of such failure; and
 - v. the legal, equitable or contractual rights to which such Claim or Interest entitles the holder of such Claim or Interest will not otherwise be altered.

147. "Released Parties" means, collectively and individually, the IBC-IBTNNC, the Debtors, the Creditors' Committee and its members (solely in their capacity as such), the Reorganized Debtors, the DIP Lender Agent, the DIP Lenders, the First Lien Term Loan Agent, the First Lien Term Loan Lenders, the Third Lien Term Loan Agent, the Third Lien Term Loan Lenders, Silver Point and its affiliates (in all of their respective capacities), the Consenting Unions and the Representatives of each of the foregoing.

148. "Reorganized ..." means, when used in reference to a particular Debtor, such Debtor on or after the Effective Date.

149. "Reorganized Debtors" means the Debtors on and after the Effective Date and any entities created as part of the Restructuring Transactions.

150. "Representatives" means, with respect to any entity: a successor, officer, director, member of a limited liability company, employee, committee member, partner, agent, attorney, advisor, investment banker, financial advisor, accountant, actuary, consultant or other Professional of such entity, in each case in such capacity, serving on or after the Petition Date.

151. "Reserved Cash" means (a) any Cash or other distributions received by the Disbursing Agent on account of the New Third Lien Tranche C Term Loans (to the extent any interest accrues with respect thereto), (b) any related Cash Investment Yield and (c) any Cash Investment Yield on the 50% of Excess Cash in the Compromise Administrative Claim Reserve.

152. "Restricted DIP Cash" means the Cash on deposit in the "Loan Proceeds Account" established pursuant to the DIP Credit Agreement for the purposes set forth in Sections 2.1(b) and 2.1(c) thereof.

153. "Restructuring Transactions" means, collectively, those mergers, consolidations, restructurings, conversions, dispositions, liquidations or dissolutions that the Debtors and the Reorganized Debtors determine to be

necessary or appropriate to effect a corporate restructuring of their respective businesses or otherwise to simplify the overall corporate structure of the Reorganized Debtors, as described in greater detail in Section III.B.

154. "Retained Actions" means those Causes of Actions identified or described on Exhibit I.A.154 which will not include any Causes of Action released hereunder.

155. "Schedules" means the schedules of assets and liabilities and the statement of financial affairs Filed by a Debtor on February 24, 2012, as required by section 521 of the Bankruptcy Code, as the same may have been or may be amended, modified or supplemented from time to time.

156. "Secondary Liability Claim" means a Claim that arises from a Debtor being liable as a guarantor of, or otherwise being jointly, severally or secondarily liable for, any contractual, tort, guaranty or other obligation of another Debtor, including any Claim based on: (a) vicarious liability; (b) liabilities arising out of piercing the corporate veil, alter ego liability or similar legal theories; (c) guaranties of collection, payments or performance; (d) indemnity bonds, obligations to indemnify or obligations to hold harmless; (e) performance bonds; (f) contingent liabilities arising out of contractual obligations or out of undertakings (including any assignment or transfer) with respect to leases, operating agreements or other similar obligations made or given by a Debtor or relating to the obligations or performance of another Debtor; (g) liability of a member of an affiliated, consolidated, combined or unitary group for Taxes of other members of the group or of the entire group; or (h) any other joint or several liability, including Claims for contribution, that any Debtor may have in respect of any obligation that is the basis of a Claim.

157. "Secured Claim" means a Claim that is secured by a lien on property in which an Estate has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to sections 506(a) and, if applicable, 1129(b) of the Bankruptcy Code.

158. "Secured Tax Claim" means a Secured Claim arising out of a Debtor's liability for any Tax.

159. "Securities Act" means the Securities Act of 1933, as amended.

160. "Senior Secured Revolving Credit Agent" means General Electric Capital Corporation in its capacity as administrative agent and collateral agent under the Senior Secured Revolving Credit Facility.

161. "Senior Secured Revolving Credit Claims" means, collectively, any Claim of the Senior Secured Revolving Credit Agent and the Senior Secured Revolving Credit Lenders arising under, evidenced by or in connection with the Senior Secured Revolving Credit Facility.

162. "Senior Secured Revolving Credit Facility" means the Credit Agreement, dated as of February 3, 2009 (as the same may have been subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto), by and among Hostess and Interstate Brands, as borrowers, the Subsidiary Debtor guarantors signatory thereto, the lenders and letter of credit issuers party thereto and the Senior Secured Revolving Credit Agent.

163. "Senior Secured Revolving Credit Lenders" means, collectively, the lenders party to the Senior Secured Revolving Credit Facility or their successors or assigns.

164. "Series A 2019 Notes" means the 5% Secured Convertible PIK-Election Series A Notes due 2019 issued under the Fourth Lien Notes Indenture and convertible into Old Common Stock at an initial conversion rate of 100 shares per \$1,000 principal amount.

165. "Series B 2019 Notes" means the 5% Secured Convertible PIK-Election Series B Notes due 2019 issued under the Fourth Lien Notes Indenture and convertible into Old Common Stock at an initial conversion rate of 92.1901 shares per \$1,000 principal amount.

166. "Series C 2019 Notes" means the 10% Secured Convertible PIK-Election Series C Notes due 2019 issued under the Fourth Lien Notes Indenture and convertible into Old Common Stock at an initial conversion rate of 666.667 shares per \$1,000 principal amount.

167. "Silver Point" shall mean Silver Point Finance, LLC.

168. "Stay Extension Order" means the Order Extending the Automatic Stay to Certain Claims Against the Debtors' Employees, Pursuant to Sections 105 and 362 of the Bankruptcy Code (Docket No. 390), entered by the Bankruptcy Court on February 23, 2012, as it may be amended or supplemented from time to time.

169. "Stipulation of Amount and Nature of Claim" means a stipulation or other agreement between the applicable Debtor and a holder of a Claim or Interest, that, prior to the Effective Date, is approved by the Bankruptcy Court (including, but not limited to, agreements settling claims pursuant to authority granted under claims settlement procedures established by order of the Bankruptcy Court in the Chapter 11 Cases), or an agreed order of the Bankruptcy Court, establishing the amount and nature of a Claim or Interest. Any such stipulation or other agreement between any Reorganized Debtors and a holder of a Claim or Interest executed after the Effective Date is not subject to approval of the Bankruptcy Court.

170. "Subsidiary Debtor" means any Debtor other than Hostess.

171. "Subsidiary Debtor Equity Interests" means, as to a particular Subsidiary Debtor, any Interests in such Debtor.

172. "Tax" means: (a) any net income, alternative or add-on minimum, gross income, gross receipts, gross margin, sales, use, *ad valorem*, value added, transfer, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, escheat or windfall, profits tax, custom, duty or other tax, governmental fee or like assessment or charge of any kind whatsoever (together in each instance with any interest, penalty, addition to tax or additional amount) imposed by any federal, state, local or foreign taxing authority; or (b) any liability for payment of any amounts of the foregoing types as a result of being a member of an affiliated, consolidated, combined or unitary group, or being a party to any agreement or arrangement whereby liability for payment of any such amounts is determined by reference to the liability of any other entity.

173. "Third Lien Term Loan Agent" means Silver Point in its capacity as administrative agent and collateral agent under the Third Lien Term Loan Facility.

174. "Third Lien Term Loan Claims" means, collectively, any Claim of the Third Lien Term Loan Agent or the Third Lien Term Loan Lenders arising under, evidenced by or in connection with the Third Lien Term Loan Facility, with no provision for the accrual of postpetition interest.

175. "Third Lien Term Loan Facility" means the Third Lien Credit and Guaranty Agreement, dated as of February 3, 2009 (as the same may have been subsequently modified, amended, supplemented or otherwise revised from time to time, and together with all instruments, documents and agreements related thereto), by and among Hostess and Interstate Brands, as borrowers, the Subsidiary Debtor guarantors signatory thereto, the lenders party thereto and the Third Lien Term Loan Agent.

176. "Third Lien Term Loan Lenders" means, collectively, the lenders party to the Third Lien Term Loan Facility or their successors or assigns.

177. "Third Lien Term Loan Notes" means the promissory notes or other similar instruments, if any, evidencing the Third Lien Term Loans.

178. "Third Lien Term Loan Plan Distribution Property" means, collectively: (a) the New Third Lien Tranche A Term Loans and (b) 75% of New Hostess Common Stock (subject to dilution to less than 75% pursuant to the Equity Incentive Plan).

179. "Third Lien Term Loans" means the loans made or deemed made by the lenders under the Third Lien Term Loan Facility.

180. "Third Party Disbursing Agent" means an entity expressly designated by a Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor to act as a Disbursing Agent pursuant to Article V.

181. "Total Compromise Fee Claim" means an Allowed Claim for (a) fees for services rendered by a Professional (but not expenses) arising from and after the Petition Date (excluding any fees or compensation for services performed as an officer of one of the Debtors) until the day prior to the Effective Date and/or (b) any success fee, restructuring fee or similar fee or award payable as a result of the consummation of the Plan and the transactions contemplated hereunder, as such Claims are determined by (x) the Bankruptcy Court in a Final Order approving the Professional's final fee application (if the Professional is required to file fee applications or otherwise seek Bankruptcy Court approval of its fees and expenses) or (y) through the process described in Section II.A.1.d.

182. "Tort Claim" means any Claim that has not been settled, compromised or otherwise resolved that arises out of allegations of personal injury or wrongful death claims.

183. "Unions" means the Consenting Unions and the Non-Consenting Unions.

184. "Union Concession Distribution Property" means (a) 25% of the New Hostess Common Stock (subject to dilution to less than 25% pursuant to the Equity Incentive Plan) and (b) the New Third Lien Tranche B Term Loans.

185. "Union Professionals" means Bailey & Ehrenberg PLLC; Cohen, Weiss & Simon LLP; Fulbright & Jaworski L.L.P.; Glanzer & Company LLC; MAEVA Advisors, LLC; Potok & Co., Inc.; and Willkie Farr & Gallagher LLP.

186. "Union Settlement Agreements" means, collectively, the BCTGM Settlement Agreement, the IBT Settlement Agreement and the Other Union Settlement Agreements.

187. "United States Trustee" means the Office of the United States Trustee for the Southern District of New York.

188. "Voting Deadline" means the deadline for submitting Ballots either to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code that is specified in the Disclosure Statement, the Ballots or related solicitation documents approved by the Bankruptcy Court.

B. Rules of Interpretation and Computation of Time

1. Rules of Interpretation

For purposes of the Plan, unless otherwise provided herein: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural; (b) unless otherwise provided in the Plan, any reference in the Plan to a contract, instrument, release or other agreement or document being in a particular form or on particular terms and conditions means that such document will be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or Confirmation Exhibit Filed or to be Filed means such document or Confirmation Exhibit, as it may have been or may be amended, modified or supplemented pursuant to the Plan, Confirmation Order or otherwise; (d) any reference to an entity as a holder of a Claim or Interest includes that entity's successors, assigns and affiliates; (e) all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Confirmation Exhibits of or to the Plan; (f) the words "herein," "hereunder" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) subject to the provisions of any contract, articles or certificates of incorporation, bylaws, codes of regulation,

similar constituent documents, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the rights and obligations arising under the Plan will be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and the Bankruptcy Rules; and (i) the rules of construction set forth in section 102 of the Bankruptcy Code will apply to the extent not inconsistent with any other provision of this Section I.B.1.

2. Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

**ARTICLE II
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS**

All Claims and Interests, except DIP Lender Claims, Administrative Claims and Priority Tax Claims, are placed in the following Classes. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims, as described in Section II.A, have not been classified and thus are excluded from the following Classes. A Claim or Interest is classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any remainder of the Claim or Interest qualifies within the description of such other Classes.

A. Unclassified Claims

1. Payment of Administrative Claims

a. Administrative Claims in General

Except as otherwise specified in this Section II.A.1 (including, but not limited to, with respect to Compromise Administrative Claims and Intercompany Claims arising on or after the Petition Date), and subject to the Bar Date provisions herein, unless otherwise agreed by the holder of an Administrative Claim and the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, or unless a Final Order of the Bankruptcy Court provides otherwise, each holder of an Allowed Administrative Claim will receive, in full satisfaction of its Allowed Administrative Claim, Cash equal to the amount of such Allowed Administrative Claim either (i) on the Effective Date or (ii) if the Administrative Claim is not allowed as of the Effective Date, 60 days after the date on which such Administrative Claim becomes an Allowed Administrative Claim. Any holder of an Allowed Administrative Claim for which multiple Debtors are liable shall be entitled to only one Distribution in respect of such Administrative Claim. No multiple recovery on account of any Allowed Administrative Claim will be provided or permitted.

b. Compromise Administrative Claims and Excess Cash

Unless otherwise agreed by a holder of a Compromise Administrative Claim and the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, or unless a Final Order of the Bankruptcy Court provides otherwise, each holder of an Allowed Compromise Administrative Claim will receive, in accordance with Section V.D.2 and in full satisfaction of its Compromise Administrative Claim, an initial principal amount of New Third Lien Tranche C Term Loans in the allowed amount of such Compromise Administrative Claim (and will be deemed to have loaned such amount to the Reorganized Debtors under the New Third Lien Term Loan Facility), plus a Pro Rata share of any Reserved Cash held by the Disbursing Agent on account of such principal amount; *provided that*, in the event that Excess Cash is determined to exist pursuant to Section III.G, then (i) holders of Compromise Administrative Claims as of the Excess Cash Record Date will be entitled to their Pro Rata share of 50% of such Excess Cash and (ii) the initial principal amount of New Third Lien Tranche C Term Loans deemed to have been loaned by the holders of Compromise Administrative Claims will be reduced on a dollar-for-dollar basis for each dollar of Excess Cash paid on account of such claims (and in the event promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility have been delivered to such holders, such promissory notes or other instruments shall be

returned to the New Third Lien Term Loan Agent for cancellation and replaced with promissory notes or other instruments reflecting the correct initial principal amount) and additional principal will be deemed to have accreted (or, if such loans bear interest, interest will be deemed to have accrued) only on the correct initial principal amount from the Effective Date.

c. Overpayment of Professionals

Upon the determination of the Total Compromise Fee Claim and the Compromise Professional Fee Claim for a particular Compromise Fee Professional, the Reorganized Debtors shall determine whether an Excess Professional Fee Payment was made to that Compromise Fee Professional. To the extent an Excess Professional Fee Payment was made, the Reorganized Debtors will notify the Compromise Fee Professional and the Compromise Fee Professional will, within five Business Days of receiving such notice, return the amount of the Excess Professional Fee Payment to the Reorganized Debtors.

d. Notice Procedures Governing Certain Holders of Compromise Administrative Claims.

Within 30 days of the Effective Date, the following Compromise Fee Professionals will each submit a report to the DIP Notice Parties identifying all fees earned and expenses incurred during the Chapter 11 Cases (and any amounts paid by the Debtors as of the Effective Date): (i) Union Professionals, (ii) Compromise Fee Professionals that rendered services to the DIP Lenders or the Prepetition Secured Lenders, (iii) Debevoise & Plimpton LLP and (iv) FTI Consulting, Inc. If none of the DIP Notice Parties Files an objection to the calculation of fees and expenses identified on any such report within 10 days of receipt, the Compromise Administrative Claim held by such Compromise Fee Professional shall be deemed allowed; *provided, however, that* all fees and expenses of the Compromise Fee Professionals that have rendered services to the DIP Lenders shall be deemed allowed to the extent they have been previously paid by the Debtors. If an objection to the calculation of fees and expenses identified on such report is Filed within 10 days of receipt, then the amount of the Compromise Administrative Claim held by such Compromise Fee Professional shall be determined by the Bankruptcy Court after notice and a hearing.

e. Statutory Fees

On or before the Effective Date, Administrative Claims for fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing or in the Confirmation Order, will be paid in Cash equal to the amount of such Administrative Claims by the Debtors. All fees payable pursuant to 28 U.S.C. § 1930 after the Effective Date will be paid by the applicable Reorganized Debtor in accordance therewith until the earlier of the conversion or dismissal of the applicable Chapter 11 Case under section 1112 of the Bankruptcy Code, or the closing of the applicable Chapter 11 Case pursuant to section 350(a) of the Bankruptcy Code.

f. Ordinary Course Postpetition Administrative Liabilities

Allowed Administrative Claims based upon liabilities incurred by a Debtor on or after the Petition Date in the ordinary course of the Debtor's business (including but not limited to (i) postpetition Administrative Claims arising from or with respect to the sale of goods or provisions of services (but not including Professional Fee Claims); (ii) postpetition customer credits under a Debtor's existing customer program; (iii) postpetition Administrative Claims of governmental units for Taxes (including Tax audit Claims related to Tax years or portions thereof ending after the Petition Date), (iv) Administrative Claims arising under contracts and leases that are assumed and have not been rejected and (v) Administrative Claims arising under post-Petition Date contracts and leases) will be paid by the applicable Reorganized Debtor, pursuant to the terms and conditions of the particular transaction giving rise to those Administrative Claims, without further action by the holders of such Administrative Claims or further approval by the Bankruptcy Court. Administrative Claims held by MEPPs shall not be considered Administrative Claims incurred in the ordinary course of the Debtor's business. 503(b)(9) Claims and Compromise Administrative Claims shall be payable under Sections II.A.1.a and II.A.1.b and not under this Section.

g. Claims Under the DIP Credit Agreement

On or before the Effective Date, Allowed DIP Lender Claims will be paid in Cash in an amount equal to the full amount of those Claims; *provided that* any DIP Lender Claims that also qualify as Compromise Administrative Claims shall receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b. Any Restricted DIP Cash will be first used to satisfy Allowed DIP Lender Claims pursuant to this Section II.A.1.g, with the balance paid from the Debtors' Cash or other sources. Any DIP Lender Claims liquidated and allowed after the Effective Date will be paid in full in Cash by the Reorganized Debtors promptly upon liquidation; *provided that* any DIP Lender Claims that also qualify as Compromise Administrative Claims shall receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b.

h. Bar Dates for Administrative Claims

i. General Bar Date Provisions

Except as otherwise provided herein or in a Bar Date Order or other order of the Bankruptcy Court, unless previously Filed, requests for payment of Administrative Claims must be Filed no later than 60 days after the Effective Date and served on the Notice Parties pursuant to the procedures specified in the Confirmation Order. Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims and that do not File and serve such a request by the applicable Bar Date will be forever barred from asserting such Administrative Claims against the Debtors, the Reorganized Debtors, their respective property and any reserves established pursuant to the terms hereof, and such Administrative Claims will be deemed discharged as of the Effective Date. Objections to such requests must be Filed and served on the Notice Parties and the requesting party by 120 days after the Effective Date. Holders of 503(b)(9) Claims that have asserted such claims as part of a proof of claim filed in accordance with the Bar Date Order shall not be required to File additional requests for payment of Administrative Claims under this Section. The General Bar Date shall continue to apply to 503(b)(9) Claims and nothing in this Section shall waive, extend or lengthen the General Bar Date for the holder of any prepetition Claim, including 503(b)(9) Claims.

ii. Bar Dates for Certain Administrative Claims

A. Professional Compensation

Professionals or other entities asserting a Professional Fee Claim for services rendered before the Effective Date must File and serve on the Notice Parties and such other entities who are designated by the Bankruptcy Rules, the Fee Order, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim no later than 60 days after the Effective Date; *provided, however*, that any professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date pursuant to the Ordinary Course Professionals Order without further Bankruptcy Court review or approval (except as provided in the Ordinary Course Professionals Order). Objections to any Professional Fee Claim must be Filed and served on the Notice Parties and the requesting party by the later of (1) 90 days after the Effective Date, (2) 30 days after the Filing of the applicable request for payment of the Professional Fee Claim or (3) such other period of limitation as may be specifically fixed by a Final Order for objecting to such Professional Fee Claims. To the extent necessary, the Confirmation Order will amend and supersede any previously entered order of the Bankruptcy Court regarding the payment of Professional Fee Claims.

B. Ordinary Course Liabilities

Holders of Allowed Administrative Claims based upon liabilities incurred by a Debtor on or after the Petition Date but prior to the Effective Date in the ordinary course of the Debtor's business (including but not limited to (1) postpetition Administrative Claims arising from or with respect to the sale of goods or provisions of services (but not including Professional Fee Claims); (2) postpetition customer credits under a Debtor's existing customer program; (3) postpetition Administrative Claims of governmental units for Taxes (including Tax audit Claims related to Tax years or portions thereof ending after the Petition Date), (4) Administrative Claims arising

under contracts and leases that are assumed and have not been rejected (including Assumed Collective Bargaining Agreements) and (5) Administrative Claims arising under post-Petition Date contracts and leases) will not be required to File or serve any request for payment of such Administrative Claims. If an Administrative Claim is not one of the types of postpetition Administrative Claims explicitly identified in the parenthetical above and is not paid within 45 days of the Effective Date, the holder of such claim must File its Administrative Claim in the Bankruptcy Court in accordance with Section II.A.1.h.i or such holder shall be forever barred from asserting such claims against the Reorganized Debtors or their property.

C. Claims Under the DIP Credit Agreement and Related Orders

Holders of Administrative Claims that are DIP Lender Claims will not be required to File or serve any request for payment or application for allowance of such Claims. Such Administrative Claims will be satisfied pursuant to Section II.A.1.g.

i. Postpetition Intercompany Claims

Intercompany Claims arising on or after the Petition Date will be extinguished on the Effective Date for no recovery, subject to the Restructuring Transactions.

2. Payment of Priority Tax Claims

a. Priority Tax Claims

Pursuant to section 1129(a)(9)(C) of the Bankruptcy Code, unless otherwise agreed by the holder of a Priority Tax Claim and the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, each holder of an Allowed Priority Tax Claim will receive, in full satisfaction of its Priority Tax Claim, Cash equal to the amount of such Allowed Priority Tax Claim, at the election of the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, (i) either (A) on the Effective Date or (B) if the Priority Tax Claim is not allowed as of the Effective Date, 60 days after the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim or (ii) in equal annual installment payments, payable on the anniversary of the Petition Date (*provided that* the first such payment shall be made on the later of the first anniversary of the Petition Date and the Effective Date) and concluding on the fifth anniversary of the Petition Date, in Cash the present value of which (calculated in accordance with section 511 of the Bankruptcy Code), as of the Effective Date, is equal to the amount of such Allowed Priority Tax Claim, *provided that* the Reorganized Debtors shall retain the option, to be exercised in their sole discretion, to fully satisfy such Allowed Priority Tax Claim at any time after the Effective Date and prior to the fifth anniversary of the Petition Date through a Cash payment in an amount sufficient to render the present value of all Cash payments received by the holder of such Allowed Priority Tax Claim on account of such Allowed Priority Tax Claim (calculated in accordance with section 511 of the Bankruptcy Code), as of the Effective Date, equal to the amount of such Allowed Priority Tax Claim.

b. Other Provisions Concerning Treatment of Priority Tax Claims

Notwithstanding the provisions of Section II.A.2.a or Section I.A.172, the holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with the Allowed Priority Tax Claim. Any such Claim or demand for any such penalty will be classified in Class 3. The holder of an Allowed Priority Tax Claim will not assess or attempt to collect such penalty from the Debtors, the Reorganized Debtors or their respective property or any reserves established pursuant to the Plan (other than as a holder of a Class 3 Claim).

B. Classified Claims and Interests

1. Priority Claims Against the Debtors (Class 1 Claims) are unimpaired. On the Effective Date, each holder of an Allowed Claim in Class 1 will receive Cash equal to the amount of such Allowed Claim, unless

the holder of such Priority Claim and the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, as applicable, agree to a different treatment.

2. Senior Secured Revolving Credit Claims Against the Debtors (Class 2A Claims) are unimpaired. On the Effective Date, each holder of an Allowed Claim in Class 2A will receive Cash equal to the amount of such Allowed Claim; *provided that* any Senior Secured Revolving Credit Claims that also qualify as Compromise Administrative Claims will instead receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b.

3. First Lien Term Loan Tranche A/B Designated Claims Against the Debtors (Class 2B Claims) are impaired. On the Effective Date, each holder of an Allowed Claim in Class 2B will receive its Pro Rata share of each component of the First Lien Term Loan Tranche A/B Designated Plan Distribution Property.

4. First Lien Term Loan Tranche A/B Non-Designated Claims Against the Debtors (Class 2C Claims) are impaired. On the Effective Date, each holder of an Allowed Claim in Class 2C will receive its Pro Rata share of the First Lien Term Loan Tranche A/B Non-Designated Plan Distribution Property; *provided that* any First Lien Term Loan Tranche A/B Non-Designated Claims that also qualify as Compromise Administrative Claims will receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b on account of such Compromise Administrative Claims.

5. First Lien Term Loan Tranche C Claims Against the Debtors (Class 2D Claims) are impaired. On the Effective Date, each holder of an Allowed Claim in Class 2D will receive Cash equal to the amount of such Allowed Claim, with prepetition and postpetition interest on such Allowed Claims calculated at the applicable non-default rate under the First Lien Term Loan Facility; *provided that* any First Lien Term Loan Tranche C Claims that also qualify as Compromise Administrative Claims will receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b on account of such Compromise Administrative Claims.

6. Third Lien Term Loan Claims Against the Debtors (Class 2E Claims) are impaired. On the Effective Date, each holder of an Allowed Claim in Class 2E will receive its Pro Rata share of the Third Lien Term Loan Plan Distribution Property; *provided that* any Third Lien Term Loan Claims that also qualify as Compromise Administrative Claims shall receive the treatment accorded to Compromise Administrative Claims in Section II.A.1.b on account of such Compromise Administrative Claims.

7. Other Secured Claims Against the Debtors (Class 2F Claims) are unimpaired. On the Effective Date, unless otherwise agreed by a Claim holder and the applicable Debtor (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or Reorganized Debtor, each holder of an Allowed Claim in Class 2F will receive treatment on account of such Allowed Secured Claim in the manner set forth in Option A, B or C below, at the election of the applicable Debtor. The applicable Debtor will be deemed to have elected Option B except with respect to (a) any Allowed Secured Claim as to which the applicable Debtor elects either Option A or Option C in one or more certifications Filed prior to the conclusion of the Confirmation Hearing and (b) any Allowed Secured Tax Claim, with respect to which the applicable Debtor will be deemed to have elected Option A.

Option A: On the Effective Date, Allowed Claims in Class 2F with respect to which the applicable Debtor elects Option A will receive Cash equal to the amount of such Allowed Claim.

Option B: On the Effective Date, Allowed Claims in Class 2F with respect to which the applicable Debtor elects or is deemed to have elected Option B will be Reinstated.

Option C: On the Effective Date, a holder of an Allowed Claim in Class 2F with respect to which the applicable Debtor elects Option C will be entitled to receive (and the applicable Debtor or Reorganized Debtor shall release and transfer to such holder) the collateral securing such Allowed Claim, *provided that* such holder shall not be entitled to receive collateral of a value in excess of such Allowed Class 2F Claim.

Notwithstanding either the foregoing or Section I.A.172, the holder of an Allowed Secured Tax Claim in Class 2F will not be entitled to receive any payment on account of any penalty arising with respect to or in connection with such Allowed Secured Tax Claim. Any such Claim or demand for any such penalty will be subject to treatment in Class 3, if not subordinated to Class 3 Claims pursuant to an order of the Bankruptcy Court. The holder of an Allowed Secured Tax Claim will not assess or attempt to collect such penalty from the Debtors, Reorganized Debtors or their respective property (other than as a holder of a Class 3 Claim).

8. General Unsecured Claims Against the Debtors (Class 3 Claims) are impaired. No property will be distributed to or retained by the holders of General Unsecured Claims, and such Claims will be extinguished on the Effective Date. Holders of Class 3 Claims will not receive any Distribution pursuant to the Plan. Consistent with the language of section 1126(g) of the Bankruptcy Code, each of the holders of General Unsecured Claims in Class 3 will be deemed to have rejected the Plan.

9. Prepetition Intercompany Claims (Class 4 Claims) are impaired. All Intercompany Claims arising prior to the Petition Date will be extinguished on the Effective Date for no recovery, subject to the Restructuring Transactions. Notwithstanding this treatment of Class 4 Claims, each of the holders of such Intercompany Claims will be deemed to have accepted the Plan.

10. Old Common Stock of Hostess Interests (Class 5 Interests) are impaired. On the Effective Date, the Old Common Stock of Hostess and all Interests related thereto will be canceled, and holders of Class 5 Interests will not receive any Distribution pursuant to the Plan. Consistent with the language of section 1126(g) of the Bankruptcy Code, each holder of a Class 5 Interest will be deemed to have rejected the Plan.

11. Subsidiary Debtor Equity Interests (Class 6 Interests) are unimpaired. On the Effective Date, the Subsidiary Debtor Equity Interests will be Reinstated, subject to the Restructuring Transactions.

C. Special Provisions Regarding the Treatment of Allowed Secondary Liability Claims; Maximum Recovery

The classification and treatment of Allowed Claims under the Plan take into consideration all Allowed Secondary Liability Claims. On the Effective Date, Allowed Secondary Liability Claims will be treated as follows:

1. The Allowed Secondary Liability Claims arising from or related to any Debtor's joint or several liability for the obligations under any Executory Contract or Unexpired Lease that is being assumed or deemed assumed by another Debtor or under any Executory Contract or Unexpired Lease that is being assumed by and assigned to another Debtor will be Reinstated.

2. Except as provided in Section II.C.1, holders of Allowed Secondary Liability Claims against any Debtor will be entitled to only one Distribution in respect of the Liabilities related to such Allowed Secondary Liability Claim and will be deemed satisfied in full by the Distributions on account of the related underlying Allowed Claim. Notwithstanding the existence of a Secondary Liability Claim, no multiple recovery on account of any Allowed Claim against any Debtor in excess of 100 cents on the dollar will be provided or permitted.

**ARTICLE III
MEANS FOR IMPLEMENTATION OF THE PLAN**

A. Continued Corporate Existence and Vesting of Assets

Except as otherwise provided herein (including with respect to the Restructuring Transactions described in Section III.B): (1) as of the Effective Date, Reorganized Hostess will exist as a separate corporate entity, with all corporate powers in accordance with the laws of the state of Delaware and the certificates of incorporation and bylaws attached hereto as Exhibits III.D.1.a and III.D.1.b; (2) subject to the Restructuring Transactions, each of the Debtors will, as a Reorganized Debtor, continue to exist after the Effective Date as a separate legal entity, with all of the powers of such a legal entity under applicable law and without prejudice to any

right to alter or terminate such existence (whether by merger, conversion, dissolution or otherwise) under applicable state law; and (3) on the Effective Date, all property of the Estate of a Debtor, and any property acquired by a Debtor or Reorganized Debtor under the Plan, will vest, subject to the Restructuring Transactions, in such Reorganized Debtor free and clear of all Claims, liens, charges, other encumbrances, Interests and other interests. On and after the Effective Date, each Reorganized Debtor may operate its business and may use, acquire and dispose of property and compromise or settle any claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, each Reorganized Debtor may pay the charges that it incurs on or after the Effective Date for appropriate Professionals' fees, disbursements, expenses or related support services (including fees relating to the preparation of Professional fee applications) without application to, or the approval of, the Bankruptcy Court.

B. Restructuring Transactions

1. Restructuring Transactions Generally

On or after the Confirmation Date, consistent with the terms of the Plan, the applicable Debtors or Reorganized Debtors may enter into any Restructuring Transactions and may take such actions as the Debtors or Reorganized Debtors may determine to be necessary or appropriate to effect, in accordance with applicable non-bankruptcy law, a corporate restructuring of their respective businesses or simplify the overall corporate structure of the Reorganized Debtors, including but not limited to the Restructuring Transactions identified on Exhibit III.B.1 and any other transactions as necessary as a means to accomplish the Restructuring Transactions identified on such Exhibit. Unless otherwise provided by the terms of a Restructuring Transaction, all such Restructuring Transactions will be deemed to occur on the Effective Date and may include one or more mergers, consolidations, restructurings, conversions, dispositions, liquidations or dissolutions, as may be determined by the Debtors or the Reorganized Debtors to be necessary or appropriate. The actions to effect these transactions may include: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, liquidation or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable state law and such other terms to which the applicable entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, duty or obligation on terms consistent with the terms of the Plan and having such other terms to which the applicable entities may agree; (c) the filing of appropriate certificates or articles of merger, consolidation, conversion, dissolution or change in corporate form pursuant to applicable state law; and (d) the taking of all other actions that the applicable entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable state law in connection with such transactions. Any such transactions may be effected on or subsequent to the Effective Date without any further action by the stockholders or directors of any of the Debtors or the Reorganized Debtors.

2. Obligations of Any Successor Corporation in a Restructuring Transaction

The Restructuring Transactions may result in substantially all of the respective assets, properties, rights, liabilities, duties and obligations of certain of the Reorganized Debtors vesting in one or more surviving, resulting or acquiring corporations. In each case in which the surviving, resulting or acquiring corporation in any such transaction is a successor to a Reorganized Debtor, such surviving, resulting or acquiring corporation will perform the obligations of the applicable Reorganized Debtor arising under or pursuant to the Plan to pay or otherwise satisfy the Allowed Claims against such Reorganized Debtor, except as provided in the Plan or in any contract, instrument or other agreement or document effecting a disposition to such surviving, resulting or acquiring corporation, which may provide that another Reorganized Debtor will perform such obligations.

C. New Stockholder Agreement

On the Effective Date, Reorganized Hostess and the recipients of the New Hostess Common Stock will become parties to the New Stockholder Agreement. Each recipient of New Hostess Common Stock, by virtue of such receipt, will be bound to the terms and conditions of the New Stockholder Agreement even if such recipient has not executed the New Stockholder Agreement.

D. Corporate Governance and Directors and Officers

1. Certificates of Incorporation and Bylaws of Reorganized Hostess

As of the Effective Date, the certificates of incorporation and the bylaws (or comparable constituent documents) of each Reorganized Debtor will be substantially in the forms set forth in Exhibits III.D.1.a and III.D.1.b, respectively. The certificates of incorporation and bylaws (or comparable constituent documents) of each Reorganized Debtor, among other things, will: (a) prohibit the issuance of nonvoting equity securities to the extent required by section 1123(a)(6) of the Bankruptcy Code; and (b) authorize the issuance of New Hostess Common Stock in amounts not less than the amounts necessary to permit the Distributions required or contemplated by the Plan. After the Effective Date, the Reorganized Debtor may amend and restate their respective articles of incorporation or bylaws (or comparable constituent documents) as permitted by applicable state law, subject to the terms and conditions of such constituent documents. On the Effective Date, or as soon thereafter as is practicable, the Reorganized Debtors shall file their certificates of incorporation (or comparable constituent documents) with the respective secretaries of state of the states in which they are incorporated or organized, to the extent required by and in accordance with the applicable corporate law of such states.

2. Directors and Officers of Reorganized Hostess

Subject to any requirement of Bankruptcy Court approval pursuant to section 1129(a)(5) of the Bankruptcy Code, from and after the Effective Date: (a) the initial officers of each of the Reorganized Debtors will consist of the individuals identified on Exhibit III.D.2; (b) the initial board of directors of Reorganized Hostess will be comprised of nine members (to be identified on Exhibit III.D.2), as follows: (i) six directors selected by a committee established by the existing Third Lien Term Loan Lenders, (ii) one director selected by the IBC-IBTNNC, (iii) one director selected by the BCTGM and (iv) the chief executive officer of Reorganized Hostess; and (c) the initial boards of directors of each of the other Reorganized Debtors will consist of the individuals identified, or to be designated pursuant to the procedures specified, on Exhibit III.D.2; *provided that* (x) Reorganized Hostess, as applicable, shall recruit and appoint a new chief executive officer as soon as practicable and (y) the chief executive officer of Reorganized Hostess shall not serve as the chairman of Reorganized Hostess's board of directors, *provided that* such restriction does not unreasonably impede Hostess's recruitment efforts. Each of the six directors selected by a committee established by the existing Third Lien Term Loan Lenders and the initial officers of the Reorganized Debtors will serve from and after the Effective Date until his or her successor is duly elected or appointed and qualified or until his or her earlier death, resignation or removal in accordance with the terms of the certificates of incorporation and bylaws (or comparable constituent documents) of the Reorganized Debtors and state law. The directors selected by the IBC-IBTNNC and the BCTGM shall serve from and after the Effective Date until the expiration of the Assumed Collective Bargaining Agreements and, during such period, the IBC-IBTNNC and the BCTGM (as applicable) shall have the right to select any successor to such directors. The directors selected by the IBC-IBTNNC and the BCTGM shall serve on each of the audit and compensation committees of Reorganized Hostess's board of directors until the expiration of the Assumed Collective Bargaining Agreements with the IBT and BCTGM, respectively.

E. New Hostess Common Stock

1. Issuance of New Hostess Common Stock

The New Hostess Common Stock, when issued as provided in the Plan, will be duly authorized, validly issued and, if applicable, fully paid and nonassessable. Each issuance under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such issuance and by the terms and conditions of the instruments evidencing or relating to such issuance, which terms and conditions shall bind each person or entity receiving such issuance. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of the New Hostess Common Stock under the Plan will be exempt from registration under the Securities Act and all rules and regulations promulgated thereunder.

F. Implementation of Global Resolution and Non-Consenting Union 1113/1114 Orders

1. Assumption and Assignment of Collective Bargaining Agreements

On the Effective Date, the applicable Debtor or Debtors will assume and assign to the applicable Reorganized Debtor (a) any Assumed Collective Bargaining Agreements, (b) any Imposed Collective Bargaining Agreements and (c) any and all other related agreements necessary to effect the Union Settlement Agreements and the relief granted by the Non-Consenting Union 1113/1114 Orders. Upon assumption, any and all Claims held by the Unions (whether prepetition or postpetition), and any and all Claims asserted by current or former members of the Unions (whether prepetition or postpetition) relating to matters addressed by either the Union Settlement Agreements (for Consenting Unions) or the proposal approved by the Non-Consenting Union 1113/1114 Orders (for Non-Consenting Unions) shall be deemed waived, discharged and extinguished. The Reorganized Debtors shall to the extent necessary object to proofs of Claim or requests for payment of an Administrative Claim Filed in respect of such obligations. Ordinary course obligations arising under Assumed Collective Bargaining Agreements, specifically including wages, vacation pay, medical payments, health and welfare payments and postpetition grievances (other than grievances over payments to MEPPs) of the kind that the Debtors have been making from and after the Petition Date to or for the benefit of the Debtors' employees represented by the Unions shall not be waived, discharged and extinguished but shall be unaltered by the Plan and shall be satisfied in the ordinary course of business.

2. Withdrawal From and Re-Entry Into MEPPs

To the extent that the Debtors have not previously withdrawn from a MEPP, the Debtors shall be deemed to have withdrawn from all MEPPs no later than December 31, 2012.

3. Union Concession Distribution Property

In accordance with the terms of the Union Settlement Agreements and the Non-Consenting Union 1113/1114 Orders, the Disbursing Agent will reserve the Union Concession Distribution Property to be distributed to the Unions in accordance with Section III.F.4 of the Plan; *provided that* in no event shall any allocation of shares pursuant to the Plan require Reorganized Hostess to become obligated to register the New Hostess Common Stock pursuant to Section 12(g) of the Exchange Act or otherwise become obligated to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

4. Distribution and Allocation of Union Concession Distribution Property

In accordance with the terms of the Union Settlement Agreements and the Non-Consenting Union 1113/1114 Orders, the Unions shall determine the allocation of the Union Concession Distribution Property among themselves. The Unions shall provide the Debtors with the details of the proposed allocation of the Union Concession Distribution Property in writing no later than 10 calendar days after the Effective Date; *provided that* if the Unions do not provide the Debtors with such writing by such date, the Disbursing Agent will retain the Union Concession Distribution Property pending a determination of the allocation of the Union Concession Distribution Property by the Bankruptcy Court pursuant to a Final Order. The Union Concession Distribution Property shall be distributed to each Union or its applicable employees in accordance with Section V.B.5.

G. Excess Cash

No later than three days prior to the Effective Date, the Debtors shall (1) estimate the amount of Excess Cash that will be either held by or available to the Reorganized Debtors as of the Effective Date after completion of the transactions that are to occur on the Effective Date and (2) report such estimate to the Notice Parties. Any Excess Cash shall be distributed or allocated as follows: (1) 50% to the holders of First Lien Term Loan Tranche A/B Designated Claims, in accordance with Section II.B.3, and (2) 50% to the Compromise Administrative Claim Reserve, in accordance with Section V.D.

H. Employment, Retirement and Other Related Agreements; Cessation of Retiree Benefits; Workers' Compensation Programs

1. Employment-Related Agreements

As of the Effective Date, the Reorganized Debtors will have authority to: (a) maintain, amend or revise existing employment, retirement, welfare, incentive, severance, indemnification and other agreements with its active directors, officers and employees, subject to the terms and conditions of any such agreement; and (b) enter into new employment, retirement, welfare, incentive, severance, indemnification and other agreements for active employees.

2. Retiree Benefits

Except as provided in any modifications under the Union Settlement Agreements or the Non-Consenting Union 1113/1114 Orders, as applicable, obligations to pay or provide retiree benefits (as defined in section 1114(a) of the Bankruptcy Code) for all retirees will be assumed by the applicable Reorganized Debtor and paid after the Effective Date in the ordinary course of business.

3. Company Pension Plan

In accordance with the Union Settlement Agreements (for Consenting Unions) and the Non-Consenting Union 1113/1114 Orders (for Non-Consenting Unions), benefit accrual for all participating employees under the Company Pension Plan will be frozen, and the Company Pension Plan shall be amended accordingly. The Company Pension Plan (as amended) will be assumed by the applicable Reorganized Debtor on the Effective Date.

4. Continuation of Workers' Compensation Programs

From and after the Effective Date, (a) the Reorganized Debtors will continue to administer and pay or cause to be paid all valid claims for benefits and liabilities arising under the Debtors' workers' compensation programs for which the Debtors or the Reorganized Debtors are responsible under applicable state workers' compensation law, regardless of when the applicable injuries occurred, in accordance with the Debtors' prepetition practices and procedures, applicable plan documents and governing state workers' compensation law, (b) any restricted Cash held by the Reorganized Debtors or third parties (as determined in accordance with GAAP) that secures, or letters of credit issued to a governmental entity or insurance company that provide assurances of payment of, the Debtors' workers' compensation obligations will remain in place and, if applicable, may be used to satisfy workers' compensation claims in accordance with the Debtors' existing workers' compensation practices and procedures, applicable plan documents and governing state workers' compensation laws and (c) nothing in the Plan shall discharge, release, or relieve the Debtors or the Reorganized Debtors from any current or future liability under applicable state workers' compensation law in the jurisdictions where the Debtors or the Reorganized Debtors participate in workers' compensation programs. The Debtors expressly reserve the right to challenge the validity of any claim for benefits or liabilities arising under any workers' compensation program.

5. Equity Incentive Plan

After the Effective Date, the Reorganized Debtors will implement the Equity Incentive Plan.

I. Confirmation Cash Infusion

The Debtors shall close all transactions relating to the Confirmation Cash Infusion on or prior to the Effective Date.

J. Corporate Action

The Restructuring Transactions; the adoption of new or amended and restated certificates of incorporation and bylaws (or comparable constituent documents) for the Reorganized Debtors; the initial selection of directors and officers for each Reorganized Debtor; the entry into the Exit Facility and receipt of the proceeds thereof; the issuance of the New Hostess Common Stock; the deemed incurrence of the New First Lien Term Loans and New Third Lien Term Loans; the Distribution of the New Hostess Common Stock and Cash pursuant to the Plan; the issuance and Distribution of the Union Concession Distribution Property; the adoption, execution, delivery and implementation of all contracts, leases, instruments, releases and other agreements or documents related to any of the foregoing; the adoption, execution and implementation of employment, retirement and indemnification agreements, incentive compensation programs (including the Equity Incentive Plan), retirement income plans, welfare benefit plans and other employee plans and related agreements; the assumption of the Company Pension Plan (as amended) by a Reorganized Debtor or other entity created in connection with the Restructuring Transactions; and the other matters provided for under the Plan involving the corporate structure of the Debtors and the Reorganized Debtors or corporate action to be taken by or required of a Debtor or a Reorganized Debtor will be deemed to occur and be effective as of the Effective Date, if no such other date is specified in such other documents, and will be authorized and approved in all respects and for all purposes without any requirement of further action by the stockholders or directors of the Debtors or the Reorganized Debtors.

K. Special Provisions Regarding Insured Claims

1. Limitations on Amounts to Be Distributed to Holders of Allowed Insured Claims

Distributions, if any, under the Plan to each holder of an Allowed Insured Claim will be in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified, but solely to the extent that such Allowed Insured Claim is not satisfied from proceeds payable to the holder thereof under any pertinent insurance policies and applicable law. Nothing in this Section III.K will constitute a waiver of any claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities that any entity may hold against any other entity, including the Debtors' insurance carriers.

2. Assumption and Continuation of Insurance Policies

From and after the Effective Date, each of the Insurance Contracts will be assumed by the applicable Reorganized Debtor pursuant to section 365 of the Bankruptcy Code or continued in accordance with its terms, with rights and obligations under such policy such that each of the parties' contractual, legal and equitable rights under each Insurance Contract shall remain unaltered, and the successors to the Debtor parties to each Insurance Contract will continue to be bound by such Insurance Contract as if the Chapter 11 Cases had not occurred. Nothing in the Plan, shall affect, impair or prejudice the rights and defenses of the Insurers or the Reorganized Debtors under the Insurance Contracts in any manner, and such Insurers and Reorganized Debtors shall retain all rights and defenses under the Insurance Contracts, and the Insurance Contracts shall apply to, and be enforceable by and against, the Reorganized Debtors and the applicable Insurer(s) as if the Chapter 11 Cases had not occurred. In addition, notwithstanding anything to the contrary in the Plan, nothing in the Plan (including any other provision that purports to be preemptory or supervening), shall in any way operate to, or have the effect of, impairing any party's legal, equitable or contractual rights and/or obligations under any Insurance Contract, if any, in any respect. Any such rights and obligations shall be determined under the Insurance Contracts, any agreement of the parties and applicable law.

L. Preservation of Causes of Action by the Debtors and Reorganized Debtors

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Reorganized Debtors will retain and may enforce any Causes of Action that the Debtors or the Estates may hold against any entity (including, but not limited to, all Retained Actions) to the extent not expressly released under the Plan or by any Final Order of the Bankruptcy Court.

M. Cancellation and Surrender of Instruments, Securities and Other Documentation

Except as provided in any contract, instrument or other agreement or document entered into or delivered in connection with the Plan or as otherwise provided for herein, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article V: (1) the Senior Secured Revolving Credit Facility, the First Lien Term Loan Facility, the Third Lien Term Loan Facility, the Fourth Lien Notes Indenture, the First Lien Term Loan Notes, the Third Lien Term Loan Notes, the Fourth Lien Notes and the Old Common Stock of Hostess will be deemed canceled and of no further force and effect against the Debtors, without any further action on the part of any Debtor; (2) the obligations of the Debtors, the Senior Secured Revolving Credit Agent, the First Lien Term Loan Agent, the Third Lien Term Loan Agent and the Fourth Lien Notes Indenture Trustee, if applicable, under such canceled agreements, contracts, instruments, securities and other documents shall be discharged, *provided, however, that* (a) the Senior Secured Revolving Credit Facility, the First Lien Term Loan Facility and the Third Lien Term Loan Facility shall continue to survive and be in full force and effect only for the purposes of (i) making Distributions under the Plan, (ii) permitting the Senior Secured Revolving Credit Agent, the First Lien Term Loan Agent and the Third Lien Term Loan Agent to appear in the Chapter 11 Cases and (iii) any function necessary in connection with the foregoing clauses (a)(i)-(ii) and (b) the Fourth Lien Notes shall continue to survive and be in full force and effect only for the purposes of (i) making Distributions under the Plan, (ii) asserting any charging lien thereunder, (iii) permitting the Fourth Lien Notes Indenture Trustee to appear in the Chapter 11 Cases and (iv) any function necessary in connection with the foregoing clauses (b)(i)-(iii); and (3) the holders of or parties to such canceled agreements, contracts, instruments, securities and other documents will have no rights arising therefrom or relating thereto or the cancellation thereof, except the rights provided pursuant to the Plan.

N. Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and except as specified in the treatment provided for Claims and Interests in Article II, all mortgages, deeds of trust, liens or other security interests against the property of any Estate will be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, liens or other security interests, including any rights to any collateral thereunder, will revert to the applicable Reorganized Debtors and their successors and assigns. As of the Effective Date, the Reorganized Debtors shall be authorized to execute and file on behalf of all applicable creditors who have had their liens released and discharged pursuant to the foregoing such UCC termination statements, mortgage or deed of trust releases or such other forms, releases or terminations as may be necessary or appropriate to implement the provisions of this Section III.N.

O. Effectuating Documents; Further Transactions

The president, chief executive officer, chief financial officer, treasurer or any vice president of each Debtor or Reorganized Debtor, as applicable, shall be authorized to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan. The secretary or any assistant secretary of each Debtor or Reorganized Debtor will be authorized to certify or attest to any of the foregoing actions.

P. Exemption from Certain Transfer Taxes

Pursuant to section 1146(a) of the Bankruptcy Code, the following will not be subject to any stamp Tax, real estate transfer Tax, mortgage recording Tax, filing fee, sales or use Tax or similar Tax: (1) the issuance, transfer or exchange of New Hostess Common Stock; (2) the creation of any mortgage, deed of trust, lien or other security interest; (3) the making or assignment of any lease or sublease; (4) the execution and delivery of the Exit Facility, the New First Lien Term Loan Facility or the New Third Lien Term Loan Facility; (5) any Restructuring Transaction; (6) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including any merger agreements, agreements of consolidation, restructuring, conversion, disposition, liquidation or dissolution, deeds, bills of sale or assignments, applications, certificates or statements executed or filed in connection with any of the foregoing or pursuant to the Plan; or (7) any transaction related to the Confirmation Cash Infusion. The Confirmation Order shall direct the appropriate state or

local governmental officials or agents to forgo the collection of any such Tax and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such Tax.

**ARTICLE IV
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

A. Executory Contracts and Unexpired Leases to Be Assumed

1. Assumption and Assignment, Generally

On the Effective Date, the following Executory Contracts or Unexpired Leases of the Debtors shall be assumed or assumed and assigned (as applicable): (a) all contracts and leases identified on Exhibit IV.A.1; and (b) all Executory Contracts or Unexpired Leases entered into by a Debtor prior to the Petition Date that are not identified on either Exhibit IV.A.1 or Exhibit IV.D.1 (as it may be modified pursuant to Section IV.D.1), except for Executory Contracts or Unexpired Leases that (i) have been rejected pursuant to a Final Order of the Bankruptcy Court, (ii) are subject to a pending motion for reconsideration or appeal of an order authorizing the rejection of such Executory Contract or Unexpired Lease, (iii) are subject to a motion to reject such Executory Contract or Unexpired Lease Filed on or prior to the Effective Date, (iv) have terminated or expired by their respective terms; or (v) are designated for rejection in accordance with Section IV.F.6. Each contract and lease assumed pursuant to this Section IV.A.1 will be assumed only to the extent that such contract or lease constitutes an Executory Contract or Unexpired Lease. Listing a contract or lease on Exhibit IV.A.1 will not constitute an admission by a Debtor or Reorganized Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that a Debtor or Reorganized Debtor has any liability thereunder. The Confirmation Order will constitute an order of the Bankruptcy Court approving such assumptions or assumptions and assignments, pursuant to section 365 of the Bankruptcy Code, as of the later of (a) the Effective Date or (b) the resolution of any objection to the proposed assumption or assumption and assignment of an Executory Contract or Unexpired Lease. As of the effective time of an applicable Restructuring Transaction, any Executory Contract or Unexpired Lease to be held by any Debtor or Reorganized Debtor and assumed hereunder or otherwise in the Chapter 11 Cases, if not expressly assigned to a third party previously in the Chapter 11 Cases or assigned to a particular Reorganized Debtor, will be deemed assigned to the surviving, resulting or acquiring corporation in the applicable Restructuring Transaction, pursuant to section 365 of the Bankruptcy Code.

2. Assumptions and Assignments of Ancillary Agreements

Each Executory Contract or Unexpired Lease assumed pursuant to Section IV.A.1 will include any modifications, amendments, supplements, restatements or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such contract or lease, unless any such modification, amendment, supplement, restatement or other agreement is expressly identified on Exhibit IV.D.1.

B. Payments Related to the Assumption of Executory Contracts or Unexpired Leases

To the extent that such Claims constitute monetary defaults, the Cure Amount Claims associated with each Executory Contract or Unexpired Lease to be assumed pursuant to the Plan will be (a) identified on Exhibit IV.A.1, if such Executory Contract or Unexpired Lease is included thereon and (b) satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by payment of the Cure Amount Claim in Cash on the Effective Date or on such other terms as are agreed to by the Debtors (with the consent of the First Lien Term Loan Agent or the Third Lien Term Loan Agent) or Reorganized Debtors and the other parties to such Executory Contract or Unexpired Lease. If an objection to a proposed assumption, assumption and assignment or Cure Amount Claim is properly Filed and served in accordance with Section IV.F, the payment of any Cure Amount Claim required by section 365(b)(1) of the Bankruptcy Code will be made within 60 days following the entry of a Final Order or the execution of a Stipulation of Amount and Nature of Claim resolving the dispute and approving the assumption, subject to the Debtors' (with the consent of the First Lien Term Loan Agent or the Third Lien Term Loan Agent) or Reorganized Debtors' right to designate the contract or lease in question for rejection in accordance with Section IV.F.6.

C. Contracts and Leases Entered Into or Assumed After the Petition Date

To the extent not later rejected pursuant to an order of the Bankruptcy Court or by inclusion on Exhibit IV.D.1, contracts, leases and other agreements entered into after the Petition Date by a Debtor and any Executory Contracts or Unexpired Leases assumed by a Debtor prior to the Effective Date will survive and remain unaffected by entry of the Confirmation Order. Such contracts and leases may be assigned from a Debtor to a Reorganized Debtor by operation of law pursuant to the Restructuring Transactions.

D. Rejection of Executory Contracts and Unexpired Leases

1. Agreements to Be Rejected

On the Effective Date, each Executory Contract and Unexpired Lease identified on Exhibit IV.D.1 will be rejected pursuant to section 365 of the Bankruptcy Code; *provided, however*, that the Debtors (with the consent of the First Lien Term Loan Agent or the Third Lien Term Loan Agent) and the Reorganized Debtors reserve the right, at any time on or prior to the Effective Date, to amend Exhibit IV.D.1 to: (i) delete any Executory Contract or Unexpired Lease listed therein, thus providing for its assumption or assumption and assignment pursuant to Section IV.A; or (ii) add any Executory Contract or Unexpired Lease thereto, thus providing for its rejection pursuant to this Section IV.D.1. Each contract and lease listed on Exhibit IV.D.1 will be rejected only to the extent that such contract or lease constitutes an Executory Contract or Unexpired Lease. Listing a contract or lease on Exhibit IV.D.1 will not constitute an admission by a Debtor or Reorganized Debtor that such contract or lease is an Executory Contract or Unexpired Lease or that a Debtor or Reorganized Debtor has any liability thereunder. The Confirmation Order will constitute an order of the Bankruptcy Court approving such rejections, pursuant to section 365 of the Bankruptcy Code, as of the later of (a) the Effective Date or (b) the resolution of any objection to the proposed rejection of an Executory Contract or Unexpired Lease. Any Claim arising from the rejection of any Executory Contract or Unexpired Lease will be treated as a Class 3 Claim (General Unsecured Claims) and shall be subject to the provisions of section 502 of the Bankruptcy Code.

2. Procedures Relating to Rejection

The Debtors will serve a notice on all counterparties identified on Exhibit IV.D.1. The notice shall provide parties in interest with the following information: (a) the identity of the contract or lease being rejected and (b) the procedures and bar date for asserting any claims arising from the rejection of the Executory Contract or Unexpired Lease. The failure of a non-Debtor counterparty to an Executory Contract or Unexpired Lease to receive a notice served by the Debtors will not prevent the rejection of the Executory Contract or Unexpired Lease. Parties that desire to object to the rejection of a specific Executory Contract or Unexpired Lease must File an objection to the Plan by the deadline for Filing objections thereto.

E. Bar Date for Rejection Damages

Except as otherwise provided in a Final Order of the Bankruptcy Court approving the rejection of an Executory Contract or Unexpired Lease, Claims arising out of the rejection of an Executory Contract or Unexpired Lease must be Filed with the Bankruptcy Court on or before the later of: (1) 30 days after the Effective Date or (2) 30 days after such Executory Contract or Unexpired Lease is rejected pursuant to an order of the Bankruptcy Court. Any Claims not Filed within such applicable time periods will be forever barred from receiving a distribution from the Debtors or the Reorganized Debtors.

F. Approval of Assumptions and Assignments and Related Procedures

The Confirmation Order shall constitute an order of the Bankruptcy Court approving the assumptions or assumptions and assignments described in Section IV.A, pursuant to section 365 of the Bankruptcy Code, as of the Effective Date, subject to parties' ability to object as set forth below. The procedures for assumption of an Executory Contract or Unexpired Lease, which shall be included in the Confirmation Order proposed by the Debtors, shall be as follows:

1. After the entry of the Confirmation Order, but prior to the Effective Date, the Debtors shall serve upon each party to an Executory Contract or Unexpired Lease being assumed pursuant to the Plan notice of: (a) the contract or lease being assumed or assumed and assigned; (b) the Cure Amount Claim, if any, that the applicable Debtor believes it would be obligated to pay in connection with such assumption; and (c) these procedures, including how such party can object to the assumption or assumption and assignment of the applicable contract or lease or the amount of the proposed Cure Amount Claim.

2. Any entity wishing to object to (a) the proposed assumption or assumption and assignment of an Executory Contract or Unexpired Lease under the Plan or (b) the proposed amount of the related Cure Amount Claim must File and serve on counsel to the Debtors or the Reorganized Debtors (as applicable) a written objection setting forth the basis for the objection within 20 days of service of the notice described in Section IV.F.1.

3. If no objection to the proposed assumption, assumption and assignment or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease: (a) the proposed assumption or assumption and assignment of the Executory Contract or Unexpired Lease shall be approved in accordance with the Plan and the Confirmation Order, effective as of the Effective Date, without further action of the Bankruptcy Court; and (b) the Cure Amount Claim identified by the Debtors in the notice shall be fixed and shall be paid to the appropriate contract or lease party identified on the notice on the Effective Date in accordance with Section IV.B.

4. If an objection to the proposed assumption, assumption and assignment or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease, the Debtors (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) or the Reorganized Debtors (as applicable) and the objecting party may resolve such objection by Stipulation of Amount and Nature of Claim, without further action of the Bankruptcy Court.

5. If an objection to the proposed assumption, assumption and assignment or Cure Amount Claim is properly Filed and served prior to the objection deadline with respect to an Executory Contract or Unexpired Lease and the parties are unable to resolve such objection, then: (a) either party may notice the dispute for hearing by Filing a notice of hearing in the Bankruptcy Court no later than 21 days prior to the hearing date; and (b) the Debtors or the Reorganized Debtors (as applicable) may File a reply to such objection no later than seven days prior to the proposed hearing date.

6. If, at a hearing scheduled pursuant to Section IV.F.5, the Bankruptcy Court imposes requirements upon the Debtors or the Reorganized Debtors as a condition to assuming an Executory Contract or Unexpired Lease, or if the Bankruptcy Court determines that the Cure Amount Claim for a particular Executory Contract or Unexpired Lease is in excess of the amount proposed by the Debtors or the Reorganized Debtors, the Debtors (with the consent of the First Lien Term Loan Agent or the Third Lien Term Loan Agent) or the Reorganized Debtors, in their discretion, may choose to designate such Executory Contract or Unexpired Lease for rejection within five Business Days of the entry of the order of the Bankruptcy Court resolving the matter against the Debtors by Filing a supplement to Exhibit IV.D.1 with the Court. Such rejection shall be deemed effective as of the Effective Date.

G. Obligations to Indemnify Directors, Officers and Employees

1. Prior to the Effective Date, the Debtors (a) shall make arrangements to continue liability and fiduciary (including ERISA) insurance, or purchase a tail policy or policies, for the benefit of their directors, officers and employees for the period from and after the Effective Date and (b) may fully pay the premium for such insurance. Any and all directors and officers liability and fiduciary (including ERISA) insurance or tail policies in existence as of the Effective Date shall be continued in accordance with their terms and, to the extent applicable, shall be deemed assumed or assumed and assigned by the applicable Debtor pursuant to section 365 of the Bankruptcy Code.

2. The obligations of each Debtor or Reorganized Debtor to indemnify any person who was serving as one of its directors, officers or employees on or after the Petition Date by reason of such person's prior or future

service in such a capacity, or as a director, officer or employee of another corporation, partnership or other legal entity at the applicable Debtor's request, to the extent provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor or Reorganized Debtor, will be deemed and treated as executory contracts that are assumed by the applicable Debtor or Reorganized Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date. Accordingly, such indemnification obligations will survive and be unaffected by entry of the Confirmation Order, irrespective of whether such indemnification is owed for an act or event occurring before or after the Petition Date.

3. The obligations of each Debtor or Reorganized Debtor to indemnify any person who was serving as one of its directors, officers or employees prior to but not after the Petition Date by reason of such person's prior service in such a capacity, or as a director, officer or employee of another corporation, partnership or other legal entity at the applicable Debtor's request, to the extent provided in the applicable certificates of incorporation, bylaws or similar constituent documents, by statutory law or by written agreement, policies or procedures of or with such Debtor or otherwise, will terminate and be discharged pursuant to section 502(e) of the Bankruptcy Code or otherwise as of the Effective Date; *provided, however*, that to the extent that such indemnification obligations no longer give rise to contingent Claims that can be disallowed pursuant to section 502(e) of the Bankruptcy Code, such indemnification obligations will be deemed and treated as Executory Contracts that are rejected by the applicable Debtor or Reorganized Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date, and any Claims arising from such indemnification obligations (including any rejection damage claims) will be subject to the Bar Date provisions of Section IV.E.

H. No Change in Control

The consummation of the Plan, the implementation of the Restructuring Transactions or the assumption or assignment of any Executory Contract or Unexpired Lease to a Reorganized Debtor is not intended to, and shall not, constitute a change in ownership or change in control under any employee benefit plan or program, financial instrument, loan or financing agreement, Executory Contract or Unexpired Lease or contract, lease or agreement in existence on the Effective Date to which a Debtor is a party; *provided, however, that* nothing in this Section IV.H shall be deemed to override or render unenforceable any "Change in Control" provisions in any policies of insurance, including, without limitation, the "Change in Control" provisions in the Directors, Officers & Organization Liability Policy, No. 14-MGU-11-A23242, issued to Hostess by US Specialty Insurance Company and any policies that are excess to or follow form to that policy.

ARTICLE V PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

Distributions on Allowed Claims described in Section V.B below will be made at the times designated in those sections. Distributions with respect to Allowed DIP Lender Claims and Allowed Senior Secured Revolving Credit Claims (Class 2A Claims) will be made on the Effective Date. Distributions to be made on the Effective Date to holders of other Claims that are allowed as of the Effective Date shall be deemed made on the Effective Date if made on the Effective Date or as promptly thereafter as practicable, but in any event no later than: (1) 60 days after the Effective Date; or (2) with respect to any particular Claim, such later date when the applicable conditions of Section IV.B (regarding cure payments for Executory Contracts and Unexpired Leases being assumed), Section V.E (regarding undeliverable Distributions) and Section V.J (regarding compliance with Tax requirements), as applicable, are satisfied. Distributions on account of Claims that become Allowed Claims after the Effective Date will be made in accordance with this Article V.

B. Method of Distributions and Calculation of Amounts to be Distributed

1. Determination of Aggregate Amount of New First Lien Term Loans

The Cash component of the First Lien Term Loan Tranche A/B Designated Plan Distribution Property (other than Excess Cash) shall be determined by the First Lien Term Loan Agent, in consultation with the

Debtors, no later than three Business Days prior to the Effective Date and shall not exceed \$59,000,000. The aggregate principal amount of the New First Lien Term Loans to be deemed incurred by the Reorganized Debtors in favor of the holders of First Lien Term Loan Tranche A/B Claims shall be (a) determined by the Debtors and the First Lien Term Loan Agent on the day before the Effective Date and (b) equal to the difference of (i) the aggregate amount of First Lien Term Loan Tranche A/B Claims (including accrued interest at the non-default rate) as of the Effective Date (as determined by the Debtors and the First Lien Term Loan Agent) minus (ii) the sum of (A) any Cash to be distributed to holders of First Lien Term Loan Tranche A/B Designated Claims and (B) the aggregate total of Professional Fee Claims held by any Professionals rendering services to the holders of First Lien Term Loan Tranche A/B Claims (to the extent that such claims are included in the First Lien Term Loan Tranche A/B Claims).

2. Distributions of First Lien Term Loan Tranche A/B Designated Plan Distribution Property and Distribution on Allowed First Lien Term Loan Tranche C Claims

a. Distribution of New First Lien Tranche A Term Loans

On the Effective Date and in accordance with the terms of the Plan and the New First Lien Term Loan Facility, the Reorganized Debtors shall be deemed to have incurred New First Lien Tranche A Term Loans in favor of the holders of Allowed First Lien Term Loan Tranche A/B Designated Claims and shall deliver to such holders all related promissory notes or other instruments, if any, required under the terms governing the New First Lien Term Loan Facility.

b. Distribution of Cash and Excess Cash

On the Effective Date, the Disbursing Agent shall make Distributions of Cash and Excess Cash, if any, to holders of Allowed First Lien Term Loan Tranche A/B Designated Claims and Allowed First Lien Term Loan Tranche C Claims to the First Lien Term Loan Agent and otherwise in accordance with Section V.A.

3. Distributions of First Lien Term Loan Tranche A/B Non-Designated Plan Distribution Property

On the Effective Date and in accordance with the terms of the Plan and the New First Lien Term Loan Facility, the Reorganized Debtors shall be deemed to have incurred New First Lien Tranche B Term Loans in favor of the holders of Allowed First Lien Term Loan Tranche A/B Non-Designated Claims and shall deliver to such holders all related promissory notes or other instruments, if any, required under the terms governing the New First Lien Term Loan Facility.

4. Distribution of Third Lien Term Loan Plan Distribution Property.

a. Distribution of New Third Lien Tranche A Term Loans

On the Effective Date and in accordance with the terms of the Plan and the New Third Lien Term Loan Facility, the Reorganized Debtors shall be deemed to have incurred New Third Lien Tranche A Term Loans in favor of the holders of Allowed Third Lien Term Loan Claims and shall deliver to such holders all related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility. The initial aggregate principal amount of the New Third Lien Tranche A Term Loans to be deemed to have been incurred by the Reorganized Debtors shall be (i) determined by the Debtors and the Third Lien Term Loan Agent on the day before the Effective Date and (ii) equal to 90% of the difference of (A) the aggregate amount of Third Lien Term Loan Claims (including accrued interest at the non-default rate) as of the Effective Date (as determined by the Debtors and the Third Lien Term Loan Agent) minus (B) the aggregate total of Professional Fee Claims held by any Professionals rendering services to Third Lien Term Loan Agent (to the extent that such claims are included in the Third Lien Term Loan Claims).

b. Distribution of New Hostess Common Stock

On the Effective Date and in accordance with the terms of the Plan, the Reorganized Debtors shall deliver to each holder of an Allowed Third Lien Term Loan Claim its Pro Rata share of 75% of the New Hostess Common Stock (subject to dilution pursuant to the Equity Incentive Plan); *provided that*, as set forth in Section V.F.4, no fractional shares of New Hostess Common Stock shall be issued; and *provided, further, that* in no event shall any allocation of shares pursuant to the Plan require Reorganized Hostess to become obligated to register the New Hostess Common Stock pursuant to Section 12(g) of the Exchange Act or otherwise become obligated to file reports pursuant to Section 13 or 15(d) of the Exchange Act.

5. Distribution of Union Concession Distribution Property

No later than 60 days after the Effective Date, the Disbursing Agent shall deliver the Union Concession Distribution Property to the Unions or their designee, as provided under the allocation timely delivered to the Debtors in accordance with Section III.F.4; *provided that*, if the Unions have not timely delivered such an allocation to the Debtors, the Disbursing Agent shall deliver the Union Concession Distribution Property to the Unions within 60 days of the entry of a Final Order determining the allocation of the Union Concession Distribution Property or, if the matter is arbitrated, a final award of an arbitrator not subject to further appellate review. The New Hostess Common Stock may be delivered to, and the New Third Lien Tranche B Term Loans may be made or deemed to have been made by (and the related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility may be delivered to) a trust or other appropriate entity established for the benefit of the Unions to the extent necessary or appropriate to comply with applicable non-bankruptcy laws. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of any security representing an interest in any such trust or other appropriate entity under the Plan will be exempt from registration under the Securities Act and all rules and regulations promulgated thereunder.

6. Distributions for Claims and Interests Allowed as of the Effective Date

The Reorganized Debtors, or such Third Party Disbursing Agents as the Reorganized Debtors may employ in their sole discretion, will make all distributions of Cash, New Third Lien Tranche B Term Loans, New Third Lien Tranche C Term Loans, New Hostess Common Stock and other instruments or documents required under the Plan.

C. Compensation and Reimbursement for Services Related to Distributions

Each Third Party Disbursing Agent providing services related to Distributions pursuant to the Plan will receive from the Reorganized Debtors, without further Bankruptcy Court approval, reasonable compensation for such services and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services. These payments will be made by the Reorganized Debtors and will not be deducted from Distributions to be made pursuant to the Plan to holders of Allowed Claims receiving Distributions from a Third Party Disbursing Agent. For purposes of reviewing the reasonableness of the fees and expenses of any Third Party Disbursing Agent, the Reorganized Debtors shall be provided with copies of invoices from each Third Party Disbursing Agent employed by them in the form typically rendered in the regular course of the applicable Third Party Disbursing Agent's business but with sufficient detail that reasonableness may be assessed. To the extent that there are any disputes that the Reorganized Debtors are unable to resolve with a Third Party Disbursing Agent, the Reorganized Debtors may submit such dispute to the Bankruptcy Court for resolution. Each Disbursing Agent serving in connection with this Plan will serve without bond, and any Disbursing Agent may employ or contract with other entities to assist in or make the Distributions required by the Plan. The duties of any Third Party Disbursing Agent shall be set forth in the applicable agreement retaining such Third Party Disbursing Agent.

D. Distributions to Holders of Allowed Compromise Administrative Claims

1. Funding of the Compromise Administrative Claim Reserve

On the Effective Date, the Compromise Administrative Claim Reserve will be established by the Disbursing Agent and the Compromise Administrative Claim Reserve Assets will be placed in the Compromise Administrative Claim Reserve by the Disbursing Agent for the benefit of holders of Allowed Compromise Administrative Claims.

2. Distributions to Holders of Compromise Administrative Claims

a. Distributions of Excess Cash

The Disbursing Agent shall make Distributions of Excess Cash, if any, to holders of Allowed Compromise Administrative Claims in accordance with Section V.A; *provided, however*, that if a Compromise Fee Professional has not returned an Excess Professional Fee Payment, that professional's Excess Cash may be applied to satisfy as much as possible of the Compromise Fee Professional's obligation to return the Excess Professional Fee Payment.

b. Distributions of New Third Lien Tranche C Term Loans

Within (i) five Business Days after the Effective Date for Compromise Administrative Claims allowed as of such date or (ii) five Business Days after the allowance of a Compromise Administrative Claim, as applicable, the Reorganized Debtors will provide the New Third Lien Term Loan Agent with a notice identifying the aggregate initial principal amount of New Third Lien Tranche C Term Loans to be deemed to have been incurred by the Reorganized Debtors and loaned by holders of such Allowed Compromise Administrative Claim(s) (subject to Section II.A.1.b) and will deliver to such holders all related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility; *provided that* no New Third Lien Tranche C Term Loans will be distributed to a Compromise Fee Professional to the extent any Excess Professional Fee Payment owed by such Compromise Fee Professional in accordance with Section II.A.1.d remains outstanding. The New Third Lien Tranche C Term Loans may be made or deemed to have been made by (and the related promissory notes or other instruments, if any, required under the terms governing the New Third Lien Term Loan Facility may be delivered to) a trust or other appropriate entity established for the benefit of the holders of Compromise Administrative Claims to the extent necessary or appropriate to comply with applicable non-bankruptcy laws. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the issuance of any security representing an interest in any such trust or other appropriate entity under the Plan will be exempt from registration under the Securities Act and all rules and regulations promulgated thereunder.

3. Cash Receipts and Distributions

Any Cash Investment Yield on Cash held in the Compromise Administrative Claim Reserve will (a) be deposited in a segregated bank account in the name of the Disbursing Agent for the benefit of holders of Allowed Compromise Administrative Claims, (b) will be accounted for separately and (c) will not constitute property of the Reorganized Debtors. The Disbursing Agent will invest any Cash held in the Compromise Administrative Claim Reserve in a manner consistent with the Debtors' investment and deposit guidelines.

4. Recourse

Each holder of (a) an Allowed Compromise Administrative Claim and (b) a Disputed Compromise Administrative Claim that ultimately becomes an Allowed Compromise Administrative Claim will have recourse only to the Compromise Administrative Claim Reserve Assets and not to any other assets held by the Reorganized Debtors, their property or any assets previously distributed on account of any Allowed Claim.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions

Distributions to holders of Allowed Claims will be made by a Disbursing Agent: (i) at the addresses set forth on the respective proofs of Claim Filed by holders of such Claims; (ii) at the addresses set forth in any written certification of address change delivered to the Claims and Noticing Agent or the applicable Disbursing Agent, as applicable, after the date of Filing of any related proof of claim; (iii) at the addresses reflected in the applicable Debtor's Schedules if no proof of Claim has been Filed and neither the Claims and Noticing Agent nor the applicable Disbursing Agent has received a written notice of a change of address; or (iv) if clauses (i) through (iii) are not applicable, at the last address directed by such holder in a Filing made after such Claim becomes an Allowed Claim.

2. Undeliverable Distributions Held by Disbursing Agents

a. Holding of Undeliverable Distributions

If any Distribution to a holder of an Allowed Claim is returned to a Disbursing Agent as undeliverable, no further Distributions will be made to such holder unless and until the applicable Disbursing Agent is notified by written certification of such holder's then-current address. Subject to Section V.E.2.c, Distributions returned to a Disbursing Agent or otherwise undeliverable will remain in the possession of the applicable Disbursing Agent pursuant to this Section V.E.2.a until such time as a Distribution becomes deliverable. Subject to Section V.E.2.c, while remaining in the possession of the applicable Disbursing Agent, undeliverable Distributions will be held for the benefit of the potential claimants of such Distributions.

b. After Distributions Become Deliverable

On each Distribution Date, the applicable Disbursing Agent will make all Distributions that became deliverable to holders of Allowed Claims after the most recent Distribution Date; *provided, however*, that the applicable Disbursing Agent may, in its sole discretion, establish a record date prior to each Distribution Date, such that only Claims allowed as of the record date will participate in such periodic Distribution. Notwithstanding the foregoing, the applicable Disbursing Agent reserves the right, if it determines a Distribution on any Distribution Date is uneconomical or unfeasible, or is otherwise unadvisable, to postpone a Distribution Date.

c. Failure to Claim Undeliverable Distributions

Any holder of an Allowed Claim that does not assert a claim pursuant to the Plan for an undeliverable Distribution to be made by a Disbursing Agent within one year after the later of (i) the Effective Date and (ii) the last date on which a Distribution was deliverable to such holder will have its claim for such undeliverable Distribution discharged and will be forever barred from asserting any such claim against the Debtors or the Reorganized Debtors. Unclaimed Distributions otherwise deliverable to holders of Allowed Claims shall be retained by, or, if held by a Third Party Disbursing Agent, returned to, Reorganized Hostess and shall become the property of Reorganized Hostess, free of any restrictions thereon. Nothing contained in the Plan will require any Debtor, any Reorganized Debtor or any Disbursing Agent to attempt to locate any holder of an Allowed Claim.

F. Timing and Calculation of Amounts to Be Distributed

1. Distributions to Holders of Allowed Claims

Subject to Section V.A, on the Effective Date, each holder of an Allowed Claim will receive the full amount of the Distributions that the Plan provides for Allowed Claims in the applicable Class. On each Distribution Date, Distributions also will be made, pursuant to Section VI.C, to holders of Claims that previously were Disputed Claims that were allowed after the most recent Distribution Date. Such periodic Distributions also shall be in the full amount that the Plan provides for Allowed Claims in the applicable Class. Distribution Dates shall occur no less frequently than once per year.

2. Interest on Claims

Except as expressly provided in the Plan, the Confirmation Order or any contract, instrument, release, settlement or other agreement entered into in connection with the Plan, interest shall not accrue on account of any Claim.

3. De Minimis Distributions

A Disbursing Agent need not distribute Cash to the holder of an Allowed Claim if the amount of Cash to be distributed on any Distribution Date (other than the Final Distribution Date) is less than \$100. On the Final Distribution Date, a Disbursing Agent will not distribute Cash to the holder of an Allowed Claims if the amount of Cash to be distributed on such Final Distribution Date is less than \$25.

4. Distributions of New Hostess Common Stock – No Fractional Shares; Rounding

Notwithstanding any other provisions of the Plan, only whole numbers of shares of New Hostess Common Stock will be distributed. Fractional shares of New Hostess Common Stock will be rounded up or down to the nearest whole number or zero, as applicable. No New Hostess Common Stock will be distributed on account of fractional shares that are rounded down.

G. Distribution Record Date

1. A Disbursing Agent will have no obligation to, and will not, recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the Distribution Record Date and will be entitled for all purposes herein to recognize and make Distributions only to those holders of Allowed Claims that are holders of such Claims, or participants therein, as of the Distribution Record Date.

2. Except as otherwise provided in a Final Order, the transferees of Claims that are transferred and noticed pursuant to Bankruptcy Rule 3001 prior to the Distribution Record Date will be treated as the holders of such Claims for all purposes, notwithstanding that any period provided by Bankruptcy Rule 3001 for objecting to such transfer has not expired by the Distribution Record Date.

H. Means of Cash Payments

Except as otherwise specified herein, Cash payments made pursuant to the Plan will be in U.S. currency by checks drawn on a domestic bank selected by the applicable Disbursing Agent or, at the option of the applicable Disbursing Agent, by wire or automated clearinghouse transfer from a domestic bank; *provided, however*, that Cash payments to foreign holders of Allowed Claims may be made, at the option of the applicable Disbursing Agent, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

I. Establishment of Reserves

The Reorganized Debtors may establish any reserves that they deem necessary or advisable to make Distributions to holders of Allowed Claims or otherwise to satisfy their obligations under the Plan, including the creation of one or more reserves for Disputed Claims, which may be treated (in the discretion of the Reorganized Debtors), for U.S. federal income Tax purposes, as one or more disputed ownership funds within the meaning of Treasury Regulations section 1.468B-9(b)(1).

J. Withholding and Reporting Requirements

1. In connection with the Plan, to the extent applicable, each Disbursing Agent will comply with all applicable Tax withholding and reporting requirements imposed by any governmental unit, and all Distributions pursuant to the Plan will be subject to applicable withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, each Disbursing Agent will be authorized to take any actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation,

liquidating a portion of the Distribution to be made under the Plan to generate sufficient funds to pay applicable withholding Taxes or establishing any other mechanisms the Disbursing Agent believes are reasonable and appropriate, including requiring Claim holders to submit appropriate Tax and withholding certifications and/or requiring Claim holders to pay the Tax withholding amount to the Disbursing Agent in Cash as a condition of receiving any non-Cash Distributions under the Plan. To the extent any Claim holder fails to submit appropriate Tax and withholding certifications as required by the Disbursing Agent, such Claim holder's Distribution may, in the Disbursing Agent's reasonable discretion, be deemed undeliverable and subject to Section V.E.

2. Notwithstanding any other provision of the Plan, each entity receiving a Distribution pursuant to the Plan will have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on it by any governmental unit on account of the Distribution, including income, withholding and other Tax obligations.

3. The Debtors reserve, and the Reorganized Debtors shall have, the right to allocate and distribute all Distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, liens and similar encumbrances.

K. Reorganized Debtor Setoffs

Except with respect to claims of a Debtor or a Reorganized Debtor released pursuant to the Plan or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, each Reorganized Debtor or a Third Party Disbursing Agent (as instructed by a Reorganized Debtor), as applicable, may, pursuant to sections 553 or 558 of the Bankruptcy Code or applicable nonbankruptcy law, set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of the Claim (before any Distribution is made on account of the Claim) the claims, rights and Causes of Action of any nature that the applicable Debtor or Reorganized Debtor may hold against the holder of the Allowed Claim; *provided, however*, that neither the failure to effect a setoff nor the allowance of any Claim hereunder will constitute a waiver or release by the applicable Debtor or Reorganized Debtor of any claims, rights and Causes of Action that they may possess against the Claim holder.

L. Application of Distributions

To the extent applicable, all Distributions to a holder of an Allowed Claim will apply first to the principal amount of such Claim until such principal amount is paid in full, then to any interest accrued on such Claim prior to the Petition Date and then to any interest accrued on such Claim after the Petition Date, with the remainder allocated to fees and costs.

ARTICLE VI PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Treatment of Disputed Claims

1. ADR Procedures

At the Debtors' or, after the Effective Date, the Reorganized Debtors' option, any Tort Claim eligible to be designated for resolution through the ADR Procedures may be so designated in accordance with the terms thereof and the ADR Order. For the avoidance of doubt, the designation of a Disputed Claim for resolution through the ADR Procedures, either prior to or after the Effective Date, will not modify, and will not be deemed to have modified, the terms of the ADR Injunction imposed pursuant to the ADR Order. Disputed Claims not resolved through the ADR Procedures will be resolved pursuant to the Plan.

2. Tort Claims

At the Debtors' or, after the Effective Date, the Reorganized Debtors' option, any unliquidated Tort Claim (as to which a proof of Claim was timely Filed in the Chapter 11 Cases) not resolved through the ADR

Procedures or pursuant to a Final Order of the Bankruptcy Court will be determined and liquidated in the administrative or judicial tribunal(s) in which it is pending on the Effective Date (subject to the Debtors' or Reorganized Debtors' right to seek removal or transfer of venue) or, if no action was pending on the Effective Date, in an administrative or judicial tribunal of appropriate jurisdiction selected by the Debtors or the Reorganized Debtors that (a) has personal jurisdiction over the parties, (b) has subject matter jurisdiction over the Tort Claim, (c) has *in rem* jurisdiction over the property involved in the Tort Claim (if applicable) and (d) is a proper venue. The Debtors or the Reorganized Debtors may exercise the above option by service upon the holder of the applicable Tort Claim (and, if prior to the Effective Date, the First Lien Term Loan Agent, the Third Lien Term Loan Agent, or the Creditors' Committee) of a notice informing such holder that the Debtors or the Reorganized Debtors have exercised such option (which notice shall be deemed to satisfy the notice requirements of Section II.F.4 of the ADR Procedures). Upon a Debtor's or Reorganized Debtor's service of such notice, the automatic stay imposed pursuant to section 362 of the Bankruptcy Code (along with the extension of such stay to employees of the Debtors pursuant to the terms of the Stay Extension Order) or, after the Effective Date, the discharge injunction, will be deemed modified, without the necessity for further Bankruptcy Court approval or any further action by the Debtors or Reorganized Debtors, solely to the extent necessary to allow the parties to determine or liquidate the Tort Claim in the applicable administrative or judicial tribunal(s); *provided that* nothing contained in this Section will modify, or will be deemed to have modified, the terms of the Stay Extension Order with respect to any Tort Claim prior to the Debtors or Reorganized Debtors having served notice of their intent to determine and liquidate such Tort Claim pursuant to this Section. If the Debtors or the Reorganized Debtors do not serve such a notice upon a holder of a Tort Claim by the Claims Objection Bar Date, such holder may file a motion with the Bankruptcy Court seeking relief from the discharge injunction imposed pursuant to Section X.D in order to liquidate and determine its Claim.

Any Tort Claim determined and liquidated pursuant to a judgment obtained in accordance with this Section VI.A.2 and applicable non-bankruptcy law that is no longer appealable or subject to review will be deemed an Allowed Claim, as applicable, in Class 3 against the applicable Debtor in such liquidated amount, *provided that* only the amount of such Allowed Tort Claim that is not satisfied from proceeds of insurance payable to the holder of such Allowed Tort Claim will be treated as an Allowed Claim for the purposes of distributions under the Plan. Nothing contained in this Section will constitute or be deemed a waiver of any claim, right or cause of action that a Debtor may have against any Person in connection with or arising out of any Tort Claim, including but not limited to any rights under section 157(b)(5) of title 28 of the United States Code. All claims, demands, rights, defenses and Causes of Action that the Debtors or the Reorganized Debtors may have against any Person in connection with or arising out of any Tort Claim are expressly retained and preserved .

3. Disputed Insured Claims

The resolution of Disputed Insured Claims, including Tort Claims, pursuant to this Article VI shall be subject to the provisions of Section III.K of the Plan.

4. No Distributions Until Allowance

Notwithstanding any other provision of the Plan, no payments or Distributions will be made on account of a Disputed Claim until such Claim (or a portion of such Claim) becomes an Allowed Claim, if ever.

B. Prosecution of Objections to Claims

1. Objections to Claims

All objections to Claims must be Filed and served on the holders of such Claims, and any amendment to the Schedules to reduce the scheduled Claim of such holder, must be made by the Debtors or the Reorganized Debtors by the Claims Objection Bar Date. If an objection has not been Filed to a Claim or an amendment has not been made to the Schedules with respect to a scheduled Claim by the Claims Objection Bar Date, the particular Claim will be treated as an Allowed Claim in the amount specified in a timely filed proof of Claim or the amount scheduled, as applicable, if such Claim has not been allowed earlier.

2. Extension of Claims Objection Bar Date

The Reorganized Debtors may seek authorization to extend the Claims Objection Bar Date for some or all Disputed Claims for cause through the Filing of a motion with the Bankruptcy Court.

3. Authority to Prosecute Objections

On or after the Effective Date, only the Reorganized Debtors will have the authority to File, settle, compromise, withdraw or litigate to judgment objections to Claims, including pursuant to the ADR Procedures or similar procedures approved by the Bankruptcy Court. On or after the Effective Date, the Reorganized Debtors, and only the Reorganized Debtors, may settle or compromise any Disputed Claim or any objection or controversy relating to any Claim without approval of the Bankruptcy Court.

4. Authority to Amend Schedules

The Debtors or the Reorganized Debtors, as applicable, will have the authority to amend the Schedules with respect to any Claim and to make Distributions based on such amended Schedules without approval of the Bankruptcy Court. If any such amendment to the Schedules reduces the amount of a Claim or changes the nature or priority of a Claim, the Debtors or the Reorganized Debtors will provide the holder of such Claim with notice of such amendment and parties in interest will have 30 days to File an objection to such amendment with the Bankruptcy Court. If no such objection is Filed, the applicable Disbursing Agent may proceed with Distributions based on such amended Schedules without approval of the Bankruptcy Court.

C. Distributions on Account of Disputed Claims Once Allowed

Distributions on account of Disputed Claims that become Allowed Claims after the Effective Date shall be made in accordance with Article V of the Plan.

**ARTICLE VII
SUBSTANTIVE CONSOLIDATION**

A. Substantive Consolidation

Pursuant to the Confirmation Order, the Bankruptcy Court will approve the substantive consolidation of the Debtors for purposes of implementing the Plan, voting, assessing whether Confirmation standards have been met, calculating and making Distributions under the Plan and filing post-Confirmation reports and paying quarterly fees to the Office of the United States Trustee. Pursuant to such order, as of the Effective Date: (1) all assets and liabilities of the Debtors will be deemed merged; (2) all guarantees by one Debtor of the obligations of any other Debtor will be deemed eliminated so that any Claim against any Debtor and any guarantee thereof executed by any other Debtor and any joint or several liability of any of the Debtors will be deemed to be one obligation of the consolidated Debtors; (3) each and every Claim Filed or to be Filed in the Chapter 11 Case of any Debtors will be deemed Filed against the consolidated Debtors and will be deemed one Claim against and a single obligation of the consolidated Debtors, and the Debtors may file and the Bankruptcy Court will sustain objections to Claims for the same liability that are Filed against multiple Debtors; and (4) Intercompany Claims between Debtors will be eliminated and extinguished. Such substantive consolidation will not affect (1) the legal and corporate structures of the Debtors, subject to the right of the Debtors to effect restructurings as provided in Section III.B; (2) the vesting of assets in the Reorganized Debtors; (3) the right to distributions from any insurance policies or proceeds of such policies; or (4) the rights of the Debtors or the Reorganized Debtors to contest alleged setoff or recoupment efforts by creditors on the grounds of lack of mutuality under section 553 of the Bankruptcy Code and otherwise applicable law.

B. Order Granting Consolidation

This Plan serves as a motion seeking entry of an order substantively consolidating the Debtors, as described and to the extent set forth in Section VII.A above. Unless an objection to such substantive consolidation

is made in writing by any creditor or claimant affected by the Plan, Filed with the Bankruptcy Court and served on the parties listed in Section XII.E on or before the Voting Deadline, or such other date as may be fixed by the Bankruptcy Court, the substantive consolidation order (which may be the Confirmation Order) may be entered by the Bankruptcy Court. In the event any such objections are timely Filed, a hearing with respect thereto will occur at the Confirmation Hearing.

ARTICLE VIII
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Conditions Precedent to Confirmation

The following are conditions to the entry of the Confirmation Order unless such conditions, or any of them, have been satisfied or duly waived pursuant to Section VIII.C:

1. The Confirmation Order will be reasonably acceptable in form and substance to (a) the Debtors, (b) the First Lien Term Loan Agent, (c) the Third Lien Term Loan Agent and (d) the DIP Lender Agent.
2. All Confirmation Exhibits (including any amendments or modifications thereto) are in form and substance reasonably satisfactory to (a) the Debtors, (b) the First Lien Term Loan Agent, (c) the Third Lien Term Loan Agent and (d) the DIP Lender Agent.
3. All material agreements relating to the Confirmation Cash Infusion, which shall be in form and substance reasonably satisfactory to the First Lien Term Loan Agent, the Third Lien Term Loan Agent and the DIP Lender Agent, will have been executed by the applicable Debtor(s) and any counterparty thereto.
4. The Global Settlement Order shall have been entered by the Bankruptcy Court.

B. Conditions Precedent to the Effective Date

The Effective Date will not occur, and the Plan will not be consummated, unless and until the following conditions have been satisfied or duly waived pursuant to Section VIII.C:

1. The Bankruptcy Court shall have entered the Confirmation Order on or before December 27, 2012.
2. The Bankruptcy Court shall have entered an order (contemplated to be part of the Confirmation Order) approving and authorizing the Debtors and the Reorganized Debtors to take all actions necessary or appropriate to implement the Plan, including completion of the Restructuring Transactions and the other transactions contemplated by the Plan and the implementation and consummation of the contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan.
3. The documents evidencing the New First Lien Term Loan Facility, the New Third Lien Term Loan Facility and any trust(s) or other entity(ies) that may be established to hold the New Third Lien Tranche B Term Loans, the New Third Lien Tranche C Term Loans and/or the New Hostess Common Stock to be distributed to the Unions shall be in form and substance reasonably satisfactory to the Debtors, the New First Lien Term Loan Agent and the New Third Lien Term Loan Agent and shall have been executed and delivered by the applicable Reorganized Debtors, the New First Lien Term Loan Agent and the New Third Lien Term Loan Agent.
4. The documents evidencing the Exit Facility shall be in form and substance reasonably satisfactory to the Debtors and the Exit Facility Agent and shall have been executed and delivered by the applicable Reorganized Debtors, the Exit Facility Agent and each of the lenders under the Exit Facility.
5. The final forms of the Confirmation Exhibits shall be in form and substance reasonably satisfactory to the First Lien Term Loan Agent, the Third Lien Term Loan Agent and the DIP Lender Agent.

6. All agreements and other instruments required to be executed by the applicable Unions as of the Effective Date under the Union Settlement Agreements have been executed.

7. The Effective Date shall occur on or before January 11, 2013.

8. All transactions relating to the Confirmation Cash Infusion shall have closed in all material respects in accordance with the terms of any agreements effecting such transactions on or prior to the Effective Date.

9. Each MEPP and each of the Unions shall have provided Hostess with written waivers of any Administrative Claims and/or Priority Claims held by such MEPPs or Unions, other than Claims expressly permitted in the Global Resolution and/or this Plan.

C. Waiver of Conditions to the Confirmation or Effective Date

The conditions to Confirmation set forth in Section VIII.A and the conditions to the Effective Date set forth in Section VIII.B may be waived in whole or in part at any time by the Debtors, with the consent of the DIP Lender Agent, the First Lien Term Loan Agent and the Third Lien Term Loan Agent without an order of the Bankruptcy Court.

D. Effect of Nonoccurrence of Conditions to the Effective Date

If each of the conditions to the Effective Date set forth in Section VIII.B is not satisfied or duly waived in accordance with Section VIII.C, then upon motion by the Debtors made before the time that each of such conditions has been satisfied and upon notice to such parties in interest as the Bankruptcy Court may direct, the Confirmation Order will be vacated by the Bankruptcy Court; *provided, however*, that, notwithstanding the Filing of such motion, the Confirmation Order may not be vacated if each of the conditions to the Effective Date is satisfied before the Bankruptcy Court enters an order granting such motion. If the Confirmation Order is vacated pursuant to this Section VIII.D: (1) the Plan will be null and void in all respects, including with respect to (a) the discharge of Claims and termination of Interests pursuant to section 1141 of the Bankruptcy Code, (b) the assumptions, assignments or rejections of Executory Contracts and Unexpired Leases pursuant to Section IV.A and (c) the releases described in Section X.E; and (2) nothing contained in the Plan will (a) constitute a waiver or release of any Claims by or against, or any Interest in, any Debtor or (b) prejudice in any manner the rights of the Debtors or any other party in interest.

**ARTICLE IX
CRAMDOWN**

The Debtors request Confirmation under section 1129(b) of the Bankruptcy Code with respect to any impaired Class that has not accepted or is deemed not to have accepted the Plan pursuant to section 1126 of the Bankruptcy Code.

**ARTICLE X
EFFECT OF CONFIRMATION OF THE PLAN**

A. Creditors' Committee

As of the Effective Date, the Creditors' Committee shall dissolve, and the members of the Creditors' Committee and its Professionals shall cease to have any role arising from or relating to the Chapter 11 Cases. The Professionals retained by the Creditors' Committee and the respective members thereof shall not be entitled to assert any Professional Fee Claim for any services rendered or expenses incurred after the Effective Date, except for reasonable fees for services rendered, and actual and necessary expenses incurred, in connection with any final applications for allowance of compensation and reimbursement of expenses of the members of or Professionals to the Creditors' Committee Filed and served after the Effective Date in accordance with the Plan.

B. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the Distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights (including any subordination rights) that a holder of a Claim may have with respect to any Allowed Claim or any Distribution to be made pursuant to the Plan on account of any Allowed Claim. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are in the best interests of the Debtors, the Reorganized Debtors, the Estates and their respective property and Claim holders and are fair, equitable and reasonable.

C. Discharge of Claims and Termination of Interests

1. Complete Satisfaction, Discharge and Release

Except as provided in the Plan or in the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan will be in exchange for and in complete satisfaction, discharge and release of all Claims and termination of all Interests arising on or before the Effective Date, including any interest accrued on Claims from and after the Petition Date. Except as provided in the Plan or in the Confirmation Order, Confirmation will, as of the Effective Date and immediately after cancellation of the Old Common Stock of Hostess: (a) discharge the Debtors from all Claims or other debts that arose on or before the Effective Date, and all debts of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (i) a proof of Claim based on such debt is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (ii) a Claim based on such debt is allowed pursuant to section 502 of the Bankruptcy Code or (iii) the holder of a Claim based on such debt has accepted the Plan; and (b) terminate all Interests and other rights of holders of Interests in Hostess.

2. Discharge and Termination

In accordance with the foregoing, except as provided in the Plan, the Confirmation Order will be a judicial determination, as of the Effective Date and immediately after the cancellation of the Old Common Stock of Hostess, but prior to the issuance of the New Hostess Common Stock, of a discharge of all Claims and other debts and Liabilities against the Debtors and a termination of all Interests and other rights of the holders of Interests in Hostess, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge will void any judgment obtained against the Debtors at any time, to the extent that such judgment relates to a discharged Claim or terminated Interest.

D. Injunction

On the Effective Date, except as otherwise provided herein or in the Confirmation Order,

1. all Persons who have been, are or may be holders of Claims against or Interests in a Debtor shall be enjoined from taking any of the following actions against or affecting a Debtor, its Estate or its Assets with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations granted under or Reinstated by the Plan and appeals, if any, from the Confirmation Order):

a. commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against a Debtor, its Estate, its Assets or any direct or indirect successor in interest to a Debtor, or any assets or property of such successor (including, without limitation, all suits, actions and proceedings that are pending as of the Effective Date, which must be withdrawn or dismissed with prejudice);

b. enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order against a Debtor, its Estate, its Assets or any direct or indirect successor in interest to a Debtor, or any assets or property of such successor;

c. creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien against a Debtor, its Estate, its Assets or any direct or indirect successor in interest to a Debtor, or any assets or property of such successor, other than as contemplated by the Plan;

d. except as provided herein, asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due a Debtor, its Estate, its Assets or any direct or indirect successor in interest to a Debtor, or any assets or property of such successor; and

e. proceeding in any manner in any place whatsoever that does not conform to or comply with the provisions of the Plan or the settlements set forth herein to the extent such settlements have been approved by the Bankruptcy Court in connection with Confirmation of the Plan.

2. All Persons that have held, currently hold or may hold any Liabilities released or exculpated pursuant to Sections X.E and X.F, respectively, will be permanently enjoined from taking any of the following actions against any Released Party or its property on account of such Liabilities: (a) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind; (b) enforcing, levying, attaching, collecting or otherwise recovering by any manner or means, directly or indirectly, any judgment, award, decree or order; (c) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any lien; (d) except as provided herein, asserting any setoff, right of subrogation or recoupment of any kind, directly or indirectly, against any obligation due a Released Party; and (e) commencing or continuing any action, in any manner, in any place, that does not comply with or is inconsistent with the provisions of the Plan.

E. Releases

1. General Releases by the Debtors and the Reorganized Debtors

Without limiting any other applicable provisions of, or releases contained in, the Plan, as of the Effective Date, the Debtors and the Reorganized Debtors, on behalf of themselves and their affiliates, the Estates and their respective successors, assigns and any and all entities who may purport to claim by, through, for or because of them, will forever release, waive and discharge all Liabilities that they have, had or may have against any Released Party except with respect to obligations arising under the Plan or the obligations assumed hereunder; *provided, however, that* the foregoing provisions shall not affect (a) the liability of any Released Party that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct, (b) any rights to enforce the Plan or the other contracts, instruments, releases, agreements or documents to be, or previously, entered into or delivered in connection with the Plan, (c) any objections by the Debtors or the Reorganized Debtors to Claims or Interests filed by any Person or entity against any Debtor and/or the Estates, including rights of setoff, refund or other adjustments, (d) the rights of the Debtors to assert any applicable defenses in litigation or other proceedings with their employees (including the rights to seek sanctions, fees and other costs), (e) amounts owed by employees for benefit costs or regularly deducted from employee wages in the ordinary course of the Debtors' businesses or (f) any claim of the Debtors or Reorganized Debtors, including (but not limited to) cross-claims or counterclaims or other causes of action against employees or other parties, arising out of or relating to actions for personal injury, wrongful death, property damage, products liability or similar legal theories of recovery to which the Debtors or Reorganized Debtors are a party.

2. General Releases by Holders of Claims or Interests

Without limiting any other applicable provisions of, or releases contained in, the Plan, as of the Effective Date, in consideration for the obligations of the Debtors and the Reorganized Debtors under the Plan and the consideration and other contracts, instruments, releases, agreements or documents to be entered into or delivered in connection with the Plan, each holder of a Claim that votes in favor of the Plan will be deemed to forever release, waive and discharge all Liabilities in any way relating to a Debtor, the Chapter 11 Cases, the Estates, the Plan, the Confirmation Exhibits or the Disclosure Statement that such entity has, had or may have against any Released Party (which release will be in addition to the discharge of Claims and termination of Interests provided herein and under the Confirmation Order and the Bankruptcy Code); *provided, however, that* the foregoing provisions shall not affect

any rights to enforce the Plan or the other contracts, instruments, releases, agreements or documents to be, or previously, entered into or delivered in connection with the Plan.

3. Release of Released Parties by Other Released Parties

From and after the Effective Date, except with respect to obligations arising under the Plan or assumed hereunder, to the fullest extent permitted by applicable law, the Released Parties shall release each other from any and all Liabilities that any Released Party is entitled to assert against any other Released Party in any way relating to any Debtor; the Chapter 11 Cases; the Estates; the formulation, preparation, negotiation, dissemination, implementation, administration, Confirmation or consummation of any of the Plan (or the property to be distributed under the Plan), the Confirmation Exhibits, the Disclosure Statement, the Assumed Collective Bargaining Agreements, any contract, employee pension or other benefit plan, instrument, release or other agreement or document related to any Debtor, the Chapter 11 Cases or the Estates created, modified, amended, terminated or entered into in connection with either the Plan or any agreement between the Debtors and any Released Party; or any other act taken or omitted to be taken in connection with the Chapter 11 Cases; *provided, however, that* the foregoing provisions shall not affect (a) the liability of any Released Party that otherwise would result from any act or omission to the extent that act or omission subsequently is determined in a Final Order to have constituted gross negligence or willful misconduct, (b) any rights to enforce the Plan or the other contracts, instruments, releases, agreements or documents to be, or previously, entered into or delivered in connection with the Plan, (c) the rights of the Released Party to assert any applicable defenses in litigation or other proceedings (including the rights to seek sanctions, fees and other costs) or (d) any claim of a Released Party, including (but not limited to) cross-claims or counterclaims or other causes of action against employees or other parties, arising out of or relating to actions for personal injury, wrongful death, property damage, products liability or similar legal theories of recovery to which the Debtors or Reorganized Debtors and the Released Party are each a party.

F. Exculpation

From and after the Effective Date, the Released Parties shall neither have nor incur any liability to any Person for any act taken or omitted to be taken in connection with the Debtors' restructuring, including the formulation, negotiation, preparation, dissemination, implementation, Confirmation or approval of the Plan (or the property to be distributed under the Plan), the Global Resolution, the Confirmation Exhibits, the Disclosure Statement, the Assumed Collective Bargaining Agreements or any contract, employee pension or other benefit plan, instrument, release or other agreement or document provided for or contemplated in connection with the consummation of the transactions set forth in the Plan; *provided, however, that* this section shall not apply to the obligations arising under the Plan or the obligations assumed hereunder; and *provided further, however, that* the foregoing provisions shall not affect the liability of any Person that otherwise would result from any act or omission to the extent that act or omission is determined in a Final Order to have constituted gross negligence or willful misconduct. Any of the foregoing parties in all respects shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

G. Plan Impact on Prepetition Secured Claims

Confirmation of the Plan will serve as a determination that the First Lien Term Loan Tranche A/B Claims are allowed Secured Claims in the principal amount of \$373.765 million plus accrued prepetition interest at applicable rates and postpetition interest at the non-default rate. Confirmation of the Plan will serve as a determination that the First Lien Term Loan Tranche C Claims are allowed in the principal amount of \$28.864 million plus accrued prepetition and postpetition interest at the non-default rate.

Confirmation of the Plan will serve as a determination that the Third Lien Term Loan Claims are (1) allowed Secured Claims in the principal amount of \$171.573 million plus accrued prepetition interest at applicable rates and postpetition interest at the non-default rate and (2) not oversecured Claims. In exchange for the other consideration granted under the Plan, any Deficiency Claim that is a Third Lien Term Loan Claim shall be deemed waived, discharged and released by the holders of Third Lien Term Loan Claims.

Confirmation of the Plan will serve as a determination that the Fourth Lien Noteholder Claims (1) have been satisfied in part through payments made to Professionals rendering services to the Fourth Lien Notes

Indenture Trustee and distributions made on account of Allowed Compromise Claims held by Compromise Fee Professionals rendering services to the Fourth Lien Notes Indenture Trustee and (2) are otherwise General Unsecured Claims properly classified in Class 3 of the Plan.

H. Termination of Certain Subordination Rights

The classification and manner of satisfying all Claims and Interests under the Plan take into consideration all subordination rights, whether arising under general principles of equitable subordination, contract, section 510(c) of the Bankruptcy Code or otherwise, that a holder of a Claim or Interest may have against other Claim or Interest holders with respect to any Distribution made pursuant to the Plan. All subordination rights that a holder of a Claim may have with respect to any Distribution to be made pursuant to the Plan will be discharged and terminated, and all actions related to the enforcement of such subordination rights will be permanently enjoined. Accordingly, Distributions pursuant to the Plan to holders of Allowed Claims will not be subject to payment to a beneficiary of such terminated subordination rights or to levy, garnishment, attachment or other legal process by a beneficiary of such terminated subordination rights.

**ARTICLE XI
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court will retain such exclusive jurisdiction over the Chapter 11 Cases after the Effective Date as is legally permissible. As part of its jurisdiction, the Bankruptcy Court will have jurisdiction to:

A. Allow, disallow, determine, liquidate, reduce, classify, re-classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the amount, allowance, priority or classification of Claims or Interests;

B. Either grant or deny any applications for allowance of compensation or reimbursement of expenses for periods ending on or before the Effective Date, including requests by Professionals addressed in Section II.A.1.d;

C. Resolve any matters related to the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which any Debtor is a party or with respect to which any Debtor or Reorganized Debtor may be liable and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including any Cure Amount Claims;

D. Ensure that Distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

E. Decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and either grant or deny any applications involving any Debtor or any Reorganized Debtor that may be pending on the Effective Date or brought thereafter;

F. Enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases and other agreements or documents entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

G. Resolve any cases, controversies, suits or disputes that may arise in connection with the consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is entered into or delivered pursuant to the Plan or any entity's rights arising from or obligations incurred in connection with the Plan or such documents;

H. Modify the Plan before or after the Effective Date pursuant to section 1127 of the Bankruptcy Code; modify the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other

agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order; or remedy any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into, delivered or created in connection with the Plan, the Disclosure Statement or the Confirmation Order, in such manner as may be necessary or appropriate to consummate the Plan;

I. Issue injunctions, enforce the injunctions contained in the Plan and the Confirmation Order or issued earlier in the Chapter 11 Cases, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation, implementation or enforcement of the Plan or the Confirmation Order;

J. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason or in any respect modified, stayed, reversed, revoked or vacated or Distributions pursuant to the Plan are enjoined or stayed;

K. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, the Disclosure Statement or the Confirmation Order;

L. Consider and approve the compromise and settlement of any Claim by, on behalf of or against the Debtors' Estates, to the extent that Bankruptcy Court approval is required or permitted;

M. Enforce or clarify any orders previously entered by the Bankruptcy Court in the Chapter 11 Cases;

N. Determine matters concerning state, local and federal Taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code, including any Disputed Claims for Taxes;

O. Hear matters and enter orders for the recovery or turnover of all assets of the Debtors and their Estates, wherever located;

P. Enter a final decree or decrees closing the Chapter 11 Cases; and

Q. Hear any other matter not inconsistent with the Bankruptcy Code.

To the extent that it is not legally permissible for the Bankruptcy Court to have exclusive jurisdiction over any of the foregoing matters, the Bankruptcy Court shall have non-exclusive jurisdiction over such matters.

ARTICLE XII MISCELLANEOUS PROVISIONS

A. Modification of the Plan

Subject to the restrictions on alteration, amendment and modification set forth in section 1127 of the Bankruptcy Code, the Debtors (with the consent of the First Lien Term Loan Agent and the Third Lien Term Loan Agent) reserve the right to alter, amend or modify the Plan before the Effective Date.

B. Revocation of the Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Debtors revoke or withdraw the Plan, or if Confirmation does not occur, then the Plan will be null and void in all respects, and nothing contained in the Plan will: (1) prejudice in any manner the rights of any Debtor or any other party in interest; or (2) constitute an admission of any sort by any Debtor or any other party in interest.

C. Successors and Assigns

The rights, benefits and obligations of any entity named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

D. The Union Settlement Agreements

To the extent there is a conflict between the terms of the Plan and the Union Settlement Agreements, the terms of the Plan shall control.

E. Service of Documents

Any pleading, notice or other document required by the Plan or the Confirmation Order to be served on or delivered to (1) the Debtors and the Reorganized Debtors; (2) the Creditors' Committee; (3) the Unions; (4) the DIP Lender Agent; (5) the Senior Secured Revolving Credit Agent; (6) the First Lien Term Loan Agent; (7) the Third Lien Term Loan Agent; (8) the Fourth Lien Notes Indenture Trustee; and (9) the United States Trustee must be sent by overnight delivery service, facsimile transmission, courier service or messenger to:

1. The Debtors and Reorganized Debtors

Jolyn Sebree, Esq.
Hostess Brands, Inc.
12 East Armour Boulevard
Kansas City, Missouri 64111
Telephone: (816) 502-4238
Facsimile: (816) 502-4138

Corinne Ball, Esq.
Heather Lennox, Esq.
Lisa Laukitis, Esq.
Veerle Roovers, Esq.
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

(Counsel to the Debtors and Reorganized Debtors)

2. The Creditors' Committee

Thomas Moers Mayer, Esq.
Josh Brody, Esq.
KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-9169
Facsimile: (212) 715-8000

(Counsel to the Creditors' Committee)

3. Certain of the Unions

Jeffrey R. Freund, Esq.
BREDHOFF & KAISER, P.L.L.C.
805 Fifteenth Street, N.W.
Suite 1000
Washington, DC 20005
Telephone: (202) 842-2600
Facsimile: (202) 842-1888

(Counsel to the BCTGM)

Matthew A. Feldman, Esq.
WILLKIE FARR & GALLAGHER LLP
787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8651
Facsimile: (212) 728-9651

Richard M. Seltzer
COHEN, WEISS & SIMON LLP
330 West 42nd Street
25th Floor
New York, New York 10036-6976
Telephone: (212) 563-4100
Facsimile: (212) 695-5436

(Counsel to the IBT)

4. DIP Lender Agent, First Lien Term Loan Agent & Third Lien Term Loan Agent

Alan W. Kornberg, Esq.
Brian S. Hermann, Esq.
Kellie A. Cairns, Esq.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 Avenue of the Americas
New York, New York 10019
Telephone: (212) 373-3545
Facsimile: (212) 492-0545

(Counsel to Silver Point)

5. The Senior Secured Revolving Credit Agent

Leslie Plaskon, Esq.
PAUL HASTINGS LLP
75 East 55th Street
New York, New York 10022
Telephone: (212) 318-6000
Facsimile: (212) 319-4090

- and -

Jesse H. Austin, III, Esq.
Cassie Coppage, Esq.
PAUL HASTINGS LLP
600 Peachtree Street NE
Suite 2400
Atlanta, Georgia 30308
Telephone: (404) 815-2400
Facsimile: (404) 815-2424

(Counsel to the Senior Secured Revolving Credit Agent)

6. The Fourth Lien Notes Indenture Trustee

Ira L. Herman, Esq.
Jennifer A. Christian, Esq.
THOMPSON & KNIGHT LLP
900 Third Avenue, 20th Floor
New York, New York 10022
Telephone: (212) 751-3001
Facsimile: (212) 751-3113

(Counsel to The Bank of New York Mellon Trust Company, N.A.)

7. The United States Trustee

Office of the United States Trustee for the Southern District of New York
33 Whitehall Street
21st Floor
New York, New York 10004
(Attn: Paul Schwartzberg, Esq.)
Telephone: (212) 510-0500
Facsimile: (212) 668-2255

Dated: October 10, 2012

Respectfully submitted,

Hostess Brands, Inc., on its own behalf and on behalf of
each affiliate Debtor

By: /s/ Gregory Rayburn
Name: Gregory Rayburn
Title: Chief Executive Officer

COUNSEL:

Corinne Ball
Heather Lennox
Ryan T. Routh (RR 1994)
JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306

ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

PLAN EXHIBIT I.A.47

LIST OF DEBTORS

<u>DEBTOR</u>	<u>STATE OF FORMATION</u>	<u>CASE NUMBER</u>
Hostess Brands, Inc.	Delaware	Case No. 12-22052 (RDD)
IBC Sales Corporation	Delaware	Case No. 12-22051 (RDD)
IBC Services, LLC	Missouri	Case No. 12-22054 (RDD)
IBC Trucking, LLC	Delaware	Case No. 12-22053 (RDD)
Interstate Brands Corporation	Delaware	Case No. 12-22055 (RDD)
MCF Legacy, Inc.	California	Case No. 12-22056 (RDD)