

**GLOBAL CROSSING LTD**  
Filed by  
**LEVEL 3 COMMUNICATIONS INC**

**FORM 425**

(Filing of certain prospectuses and communications in connection with business combination transactions)

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**Current Report  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 10, 2011**

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**Level 3 Communications, Inc.**

(Exact Name of Registrant as Specified in Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-15658**  
(Commission File Number)

**47-0210602**  
(I.R.S. Employer  
Identification No.)

**1025 Eldorado Blvd.**  
**Broomfield, Colorado 80021**  
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: ( **720** ) **888-1000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **Item 1.01. Entry Into a Material Definitive Agreement**

### Agreement and Plan of Amalgamation

On April 10, 2011, Level 3 Communications, Inc. (the “Company” or “Level 3”) entered into an Agreement and Plan of Amalgamation (the “Amalgamation Agreement”) with Apollo Amalgamation Sub, Ltd., a Bermuda exempted limited liability company and a direct wholly owned subsidiary of the Company (“Amalgamation Sub”), and Global Crossing Limited, a Bermuda exempted limited liability company (“Global Crossing”).

The Amalgamation Agreement provides that, among other things and subject to the satisfaction of certain closing conditions, Amalgamation Sub and Global Crossing will amalgamate pursuant to Bermuda law (the “Amalgamation”) and continue as a Bermuda exempted limited liability company. As a result of the Amalgamation, (i) each issued and outstanding common share of Global Crossing, par value \$0.01 per share (“Global Crossing Common Stock”), other than dissenting shares or shares held by Level 3 or Global Crossing, will be exchanged for 16 shares of the Company’s common stock, par value \$0.01 per share (“Company Common Stock”), including the associated rights under the Rights Agreement (as defined below) (the “Amalgamation Consideration”) and (ii) each issued and outstanding share of Global Crossing’s convertible preferred stock, par value \$0.10 per share (“Global Crossing Convertible Preferred Stock”), will be exchanged for the Amalgamation Consideration, plus an amount equal to the aggregate accrued and unpaid dividends thereon. The Amalgamation Agreement also provides that the (i) issued and outstanding options to purchase Global Crossing Common Stock will be exchanged into options to purchase Company Common Stock and (ii) issued and outstanding restricted stock units covering Global Crossing Common Stock will, to the extent applicable in accordance with their terms, vest and settle for Company Common Stock.

The Amalgamation is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

The Amalgamation Agreement contains customary representations and warranties, including, among others, (i) representations and warranties by Global Crossing regarding Global Crossing’s corporate organization and capitalization, the accuracy of Global Crossing’s reports and financial statements filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the absence of certain changes or events relative to Global Crossing and its subsidiaries since December 31, 2010 and (ii) representations and warranties by the Company and Amalgamation Sub regarding their corporate organization, the Company’s capitalization, the accuracy of the Company’s reports and financial statements filed under the Exchange Act and the absence of certain changes or events relative to the Company and its subsidiaries since December 31, 2010.

The Amalgamation Agreement contains customary covenants, including, among others, agreements by each of Global Crossing and the Company (i) to continue conducting its respective businesses in the ordinary course, consistent with past practice and in compliance with applicable law during the interim period between the execution of the Amalgamation Agreement and consummation of the Amalgamation, (ii) not to engage in certain specified kinds of transactions during that period and (iii) to hold a meeting of its stockholders to vote upon, in the case of Global Crossing’s shareholders, the approval and adoption of the Amalgamation, and, in the case of the Company’s stockholders, the approval of both the issuance of the Amalgamation Consideration and the adoption of an amendment to Level 3’s Amended and Restated Certificate of Incorporation increasing the number of authorized shares of Company Common Stock (the “Level 3 Charter Amendment”). In addition, each of Global Crossing and the Company has agreed that, subject to certain exceptions, its board of directors will recommend the approval and adoption of the Amalgamation (in the case of Global Crossing), and the approval of each of the issuance of the Amalgamation Consideration and the adoption of the Level 3 Charter Amendment (in the case of the Company), by its stockholders. Global Crossing and the Company have also made certain additional customary covenants, including, among others, not to (i) solicit or knowingly encourage inquiries or proposals relating to alternative business combination transactions or (ii) subject to certain exceptions, engage in discussions or negotiations regarding, or provide any non-public information in connection with, alternative business combination transactions.

The closing of the Amalgamation is subject to certain conditions, including (i) the approval and adoption of the Amalgamation by Global Crossing’s shareholders, (ii) the approval of issuance of the Amalgamation Consideration and the adoption of the Level 3 Charter Amendment by Level 3’s stockholders, (iii) the expiration or termination of applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and applicable antitrust laws in certain other jurisdictions, (iv) receipt of certain regulatory and governmental approvals (including receipt of approval from the Federal Communications Commission and the Committee on Foreign Investment in the United States), (v) there being no material adverse effect on the Company or Global Crossing prior to the closing of the Amalgamation and (vi) other customary conditions.

Either Global Crossing or the Company may terminate the Amalgamation Agreement if, among certain other circumstances, (i) the Amalgamation has not become effective on or before April 10, 2012 or (ii) Global Crossing's shareholders fail to approve the Amalgamation or Level 3's stockholders fail to approve the issuance of the Amalgamation Consideration or the adoption of the Level 3 Charter Amendment. In addition, Global Crossing may terminate the Amalgamation Agreement under certain other circumstances, including: (a) to allow Global Crossing to enter into a definitive agreement for an alternative business combination transaction that constitutes a "superior proposal," (b) if the Company's board of directors withdraws or adversely changes its approval or recommendation of the issuance of the Amalgamation Consideration or the adoption of the Level 3 Charter Amendment, (c) if Level 3 fails to obtain the proceeds sufficient to consummate the Amalgamation and repay the debt of Global Crossing required to be repaid as a result of the Amalgamation after the completion of a marketing period or (d) if the Company materially breaches its obligation not to solicit alternative transactions or engage in negotiations in connection therewith, or materially breaches the Amalgamation Agreement such that the conditions to closing would not be satisfied. The Company may terminate the Amalgamation Agreement under certain other circumstances, including: (a) to allow the Company to enter into a definitive agreement for an alternative business combination transaction that constitutes a "superior proposal," (b) Global Crossing's board of directors withdraws or adversely changes its approval or recommendation of the Amalgamation, (c) if Level 3 fails to obtain the proceeds sufficient to consummate the Amalgamation and repay the debt of Global Crossing required to be repaid as a result of the Amalgamation after the completion of a marketing period or (d) if Global Crossing materially breaches its obligation not to solicit alternative transactions or engage in negotiations in connection therewith, or materially breaches the Amalgamation Agreement such that the conditions to closing would not be satisfied.

The Amalgamation Agreement also provides that (i) upon termination under specified circumstances, including, among others, a change in the recommendation of Global Crossing's board of directors or termination of the Amalgamation Agreement by Global Crossing to enter into definitive agreement for an alternative business combination transaction that constitutes a "superior proposal," Global Crossing would be required to pay to Level 3 a termination fee of \$50 million and certain expenses incurred by Level 3 in pursuing the Amalgamation, including the Financing Expenses (as defined below), and (ii) upon termination under specified circumstances, including, among others, a change in the recommendation of Level 3's board of directors or termination of the Amalgamation Agreement by Level 3 to enter into a definitive agreement for an alternative business combination transaction that constitutes a "superior proposal," Level 3 would be required to pay Global Crossing a termination fee of \$70 million and certain expenses incurred by Global Crossing in pursuing the Amalgamation.

Level 3 would be obligated to pay to Global Crossing a termination fee of \$70 million (the "Financing Fee"), less 50% of certain unreimbursed expenses incurred by Level 3 in pursuing the financing, including commitment and other upfront fees (the "Financing Expenses"), if all the conditions to closing have been met and the Amalgamation is not consummated because of Level 3's failure to obtain proceeds from the Lenders (as defined below) sufficient to consummate the Amalgamation and refinance Global Crossing's debt at the closing of the transaction. However, if the failure to obtain such proceeds is due to Level 3's willful and material breach of its obligations to obtain financing, Level 3 would be obligated to pay to Global Crossing a termination fee of \$120 million (the "Supplemental Financing Fee"). If the failure to obtain such proceeds is due to the Lenders' willful and material breach of their obligations under the Commitment Letter (as defined below) or the definitive financing documents, Level 3 would be obligated to pay to Global Crossing the Financing Fee, less, in certain circumstances, 50% of the Financing Expenses; provided, that Level 3 would be required to pay to Global Crossing any amounts received from the Lenders arising from the resolution of claims against the Lenders in excess of the Financing Fee, up to an amount equal to the Supplemental Financing Fee, less, in certain circumstances, 50% of the Financing Expenses.

#### Voting Agreement

In connection with the Amalgamation Agreement, on April 10, 2011, Global Crossing's controlling shareholder, STT Crossing Ltd. ("STT"), entered into a Voting Agreement with the Company (the "Voting Agreement"), pursuant to which it agreed, among other things, (i) subject to certain limited exceptions as set forth in the Voting Agreement, to vote the Global Crossing Common Stock and the Global Crossing Convertible Preferred Stock held by it in favor of the approval and adoption of the Amalgamation and (ii) to restrict its ability to transfer, sell or otherwise dispose of, grant proxy to or permit the pledge of or any other encumbrance on such Global Crossing Common Stock or Global Crossing Convertible Preferred Stock. Pursuant to the Voting Agreement, STT and the Company have agreed upon the types of actions STT would be required to take, and the types of actions STT would not be required to take, in connection with obtaining regulatory and governmental approvals required under the Amalgamation Agreement. In the event that the Amalgamation Agreement is terminated, the Voting Agreement will also terminate.

As of April 11, 2011, STT beneficially owns shares of Global Crossing Common Stock and Global Crossing Convertible Preferred Stock which, in the aggregate, represent approximately 60% of Global Crossing's voting shares (which amount includes 100% of the outstanding shares of Global Crossing Convertible Preferred Stock).

## Stockholder Rights Agreement

In connection with the Amalgamation Agreement, on April 10, 2011, STT entered into a Stockholder Rights Agreement with the Company (the “Stockholder Agreement”), which becomes effective on closing of the Amalgamation, and pursuant to which the Company agreed, among other things, that upon closing of the Amalgamation, Level 3’s board of directors will appoint a specified number of directors designated by STT, determined as follows: if, at closing Level 3’s board of directors consists of (i) 13 or fewer directors, STT would be allocated three designees, (ii) 14 through 16 directors, STT would be allocated four designees or (iii) 17 or more directors, STT would be allocated five designees. The Stockholder Agreement provides that, following the closing of the Amalgamation, STT will have the right to nominate the number of directors for Level 3’s board of directors that is proportionate to its percentage ownership of Company Common Stock. However, STT will have the right to nominate (i) at least two directors as long as STT owns at least 15% of the outstanding Company Common Stock and (ii) at least one director as long as STT owns at least 10% of the outstanding Company Common Stock.

Under the Stockholder Agreement, STT, for the relevant time period and without the prior written consent of the majority of the entire board of directors of the Company (excluding any representatives or designees of STT), (i) is prohibited from acquiring or publicly proposing to acquire any material assets of the Company or seeking to effect a business combination transaction, seeking to have representatives elected to the Company’s board of directors (other than pursuant to its right to designate directors under the agreement) or soliciting proxies for the purpose of seeking to control or influence the board of directors, or forming a group in connection with any of the foregoing and (ii) may not acquire any shares of Company Common Stock (including shares issuable upon exercise of any convertible securities) unless after giving effect to such acquisition STT would beneficially own less than 34.5% of the outstanding shares of Company Common Stock. STT is also subject to certain other limitations on the acquisition and transfer of shares of Company Common Stock and securities convertible into Company Common Stock.

Under the Stockholder Agreement, Level 3 grants STT certain registration rights and agrees to offer new equity interests in Level 3 to STT for the same price and on the same terms as such new equity interests are proposed to be offered to others.

## Commitment Letter

Concurrently with the signing of the Amalgamation Agreement, Level 3 Financing, Inc. and the Company entered into a financing commitment letter (the “Commitment Letter”) with Bank of America, N.A. (“Bank of America”), Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”), and Citigroup Global Markets Inc. (“CGMI” and, together with Bank of America and Merrill Lynch, the “Lenders”). Level 3 expects the financing under the Commitment Letter, together with cash balances, to be sufficient to provide the financing necessary to consummate the Amalgamation and to refinance certain existing indebtedness of Global Crossing. The Commitment Letter provides for a senior secured term loan facility in an aggregate amount of \$650 million. The Commitment Letter also provides for a \$1.1 billion senior unsecured bridge facility, if up to \$1.1 billion of senior notes or certain other securities are not issued by Level 3 Financing, Inc. or the Company to finance the Amalgamation on or prior to the closing of the Amalgamation. The financing commitments of Bank of America and CGMI are subject to certain conditions set forth in the Commitment Letter.

## Rights Agreement

On April 10, 2011, Level 3 entered into a Rights Agreement with Wells Fargo Bank, N.A., as rights agent (the “Rights Agreement”). The Company entered into the Rights Agreement in an effort to deter acquisitions of Company Common Stock that would potentially limit the Company’s ability to use its built-in losses and any resulting net loss carryforwards (“NOLs”) to reduce potential future federal income tax obligations. The Company’s ability to use its NOLs may be negatively affected if there is an “ownership change,” as defined under Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). In general, this would occur if certain ownership changes related to Company Common Stock that is held by five percent or greater stockholders exceed 50%, measured over a rolling three-year period. Completion of the Amalgamation would move the Company significantly closer to the 50% ownership change and increase the likelihood of a loss of the company’s valuable NOLs.

*General.* Under the Rights Agreement, from and after the record date of April 21, 2011 (the “Record Date”), each share of Company Common Stock will carry with it one preferred share purchase right (a “Right”) until the Distribution Date (as defined below) or earlier expiration of the Rights, as described below. In general terms, the Rights will impose a significant penalty upon any person that, together with all Affiliates and Associates (each as defined in the Rights Agreement) of such person, acquires 4.9% or

more of the outstanding Company Common Stock after April 10, 2011. Stockholders that own 4.9% or more of the outstanding Company Common Stock as of the close of business on April 10, 2011, will not trigger the Rights so long as they do not (i) acquire additional shares of Company Common Stock representing one-half of one percent (0.5%) or more of the shares of Company Common Stock outstanding at the time of such acquisition (such one-half of one percent (0.5%) being reduced by any shares of Company Common Stock acquired pursuant to the Amalgamation Agreement notwithstanding that in no event shall such shares trigger the Rights) or (ii) fall under 4.9% ownership of Company Common Stock and then re-acquire shares that in the aggregate equal 4.9% or more of the Company Common Stock. A person will not trigger the Rights solely as a result of (a) any transaction that the Company's board of directors determines, in its sole discretion, is an exempt transaction for purposes of triggering the Rights and (b) any acquisition that occurs or may be deemed to occur as a result of entering into the Amalgamation Agreement and the transactions contemplated thereby. STT and its Affiliates and Associates (each as defined in the Rights Agreement) will be exempt from these limitations for the purposes of the Rights Agreement, unless and until STT (or any Affiliates of STT) acquires any Company Common Stock other than (x) pursuant to the transactions contemplated by the Amalgamation Agreement, (y) in specified transactions permitted under the Stockholder Agreement or (z) any transfers of Company Common Stock or other Company equity interests between STT and its Affiliates. A person to whom STT transfers any amount of Company Common Stock pursuant to and as permitted by a specified provision of the Stockholder Agreement will be exempt for purposes of the Rights Agreement, unless and until such person (or any Affiliates or Associates of such person) acquires any additional Company Common Stock. The Company's board of directors may, in its sole discretion prior to the Distribution Date, exempt any person or group for purposes of the Rights Agreement if it determines the acquisition by such person or group will not jeopardize the Company's tax benefits or is otherwise in the Company's best interests. Any person that acquires shares of Company Common Stock in violation of these limitations is known as an "Acquiring Person." The Rights Agreement is not expected to interfere with any merger or other business combination approved by the Company's board of directors.

*The Rights* . From the Record Date until the Distribution Date or earlier expiration of the Rights, the Rights will trade with, and will be inseparable from, Company Common Stock. New Rights will also accompany any new shares of Company Common Stock that the Company issues after April 21, 2011 until the Distribution Date or earlier expiration of the Rights.

*Exercise Price* . Each Right will allow its holder to purchase from the Company one ten-thousandth (0.0001) of a share of Series B Junior Participating Preferred Stock (a "Preferred Share") for \$9.00, subject to adjustment (the "Exercise Price"), once the Rights become exercisable. This portion of a Preferred Share will give the stockholder approximately the same dividend and liquidation rights as would one share of Company Common Stock. Prior to exercise, a Right does not give its holder any dividend, voting or liquidation rights.

*Exercisability* . The Rights will not be exercisable until 15 business days after the public announcement that a person or group has become an Acquiring Person unless the Rights Agreement has been terminated or the Rights have been redeemed (as described below).

The date when the Rights become exercisable is the "Distribution Date." Until that date or earlier expiration of the Rights, Company Common Stock certificates will also evidence the Rights, and any transfer of shares of Company Common Stock will constitute a transfer of Rights. After that date, the Rights will separate from the Common Stock and be evidenced by book-entry credits or by Rights certificates that the Company will mail to all eligible holders of Company Common Stock. Any Rights held by an Acquiring Person, or any Affiliates or Associates of the Acquiring Person, are void and may not be exercised.

*Consequences of a Person or Group Becoming an Acquiring Person* . If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person, or any Affiliates or Associates of the Acquiring Person, may, upon payment of the Exercise Price, purchase shares of Company Common Stock with a market value of twice the Exercise Price, based on the "current per share market price" of Company Common Stock (as defined in the Rights Agreement) on the date of the acquisition that resulted in such person or group becoming an Acquiring Person.

*Exchange* . After a person or group becomes an Acquiring Person, the Company's board of directors may extinguish the Rights by exchanging one share of Company Common Stock or an equivalent security for each Right, other than Rights held by the Acquiring Person, or any Affiliates or Associates of the Acquiring Person.

*Preferred Share Provisions* . Each one ten-thousandth (0.0001) of a Preferred Share, if issued:

- will not be redeemable;

- will entitle its holder to dividends equal to the dividends, if any, paid on one share of Company Common Stock;
- will entitle its holder upon liquidation either to receive \$1.00 or an amount equal to the payment made on one share of Company Common Stock, whichever is greater;
- will vote together with Company Common Stock as one class on all matters submitted to a vote of stockholders of the Company and will have the same voting power as one share of Company Common Stock, except as otherwise provided by law; and
- will entitle holders to a per share payment equal to the payment made on one share of Company Common Stock, if shares of Company Common Stock are exchanged via merger, consolidation, or a similar transaction.

The value of one ten-thousandth (0.0001) interest in a Preferred Share is expected to approximate the value of one share of Company Common Stock.

*Expiration* . The Rights will expire on the earliest of (i) the day following the third anniversary of the closing of the transactions contemplated by the Amalgamation Agreement, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, (iv) the time at which the Company's board of directors determines that the NOLs are utilized in all material respects or that an ownership change under Section 382 of the Code, would not adversely impact in any material respect the time period in which the Company could use the NOLs, or materially impair the amount of the NOLs that could be used by the Company in any particular time period, for applicable tax purposes, (v) the first anniversary of the closing of the transactions contemplated by the Amalgamation Agreement if approval of the Rights Agreement by the affirmative vote of the holders of a majority of the voting power of the outstanding Company Common Stock has not been obtained prior to such date, (vi) the termination of the Amalgamation Agreement or (vii) a determination by the Company's board of directors, prior to the Distribution Date, that the Rights Agreement and the Rights are no longer in the best interests of the Company and its stockholders.

*Redemption* . The Company's board of directors may redeem the Rights for \$0.0001 per Right at any time before the Distribution Date. If the Company's board of directors redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of \$0.0001 per Right. The redemption price will be adjusted if the Company has a stock split or stock dividends of Company Common Stock.

*Anti-Dilution Provisions* . The Company's board of directors may adjust the Exercise Price, the number of Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split or a reclassification of the Preferred Shares or Company Common Stock.

*Amendments* . The terms of the Rights Agreement may be amended by the Company's board of directors without the consent of the holders of the Rights. After the Distribution Date, the Company's board of directors may not amend the agreement in a way that adversely affects holders of the Rights (other than an Acquiring Person, or an Affiliate or Associate of an Acquiring Person).

The foregoing discussion of the Amalgamation Agreement, the Voting Agreement, the Stockholder Agreement, the Commitment Letter and the Rights Agreement (the "Filed Documents") does not purport to be complete and is qualified in its entirety by reference to the full text of (i) the Amalgamation Agreement, a copy of which is attached to this Form 8-K as Exhibit 2.1; (ii) the Voting Agreement, a copy of which is attached to this Form 8-K as Exhibit 10.1; (iii) the Stockholder Agreement, a copy of which is attached to this Form 8-K as Exhibit 4.1; (iv) the Commitment Letter, a copy of which is attached to this Form 8-K as Exhibit 10.1; and (v) the Rights Agreement, a copy of which is attached as Exhibit 4.1 of the Company's Form 8-A filed with the Securities and Exchange Commission (the "SEC") on April 11, 2011, which Amalgamation Agreement, Voting Agreement, Stockholder Agreement, Commitment Letter and Rights Agreement are incorporated in this Item 1.01 by reference.

Each of the Filed Documents has been included solely to provide investors and security holders with information regarding its terms. Neither is intended to be a source of financial, business or operational information about Level 3, Global Crossing or their respective subsidiaries or affiliates. The representations, warranties and covenants contained in the Filed Documents, respectively, are made only for purposes of the agreement and are made as of specific dates; are solely for the benefit of the parties; may be subject to qualifications and limitations agreed upon by the parties in connection with negotiating the terms of the Filed Documents, respectively, including being qualified by confidential disclosures made for the purpose of allocating contractual risk between the parties instead of establishing matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors or security holders. Investors and security holders should not rely on the representations,

warranties and covenants or any description thereof as characterizations of the actual state of facts or condition of Level 3, Global Crossing or their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Filed Documents, which subsequent information may or may not be fully reflected in public disclosures.

### **Item 3.03. Material Modification to Rights of Security Holders.**

The description of the Rights Agreement set out below the heading “Rights Agreement” under Item 1.01 and the information in Item 5.03 is incorporated by reference into this Item 3.03.

### **Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.**

On April 11, 2011, the Company amended its Amended and Restated Certificate of Incorporation by filing a Certificate of Designation of Series B Junior Participating Preferred Stock (the “Certificate of Designation”) with the Secretary of State of the State of Delaware. See the description set below the heading “Rights Agreement” under Item 1.01 for a more complete description of the rights and preferences of the Series B Junior Participating Preferred Stock, which is incorporated herein by reference. A copy of the Certificate of Designation is attached as Exhibit 3.1 to the Company’s Form 8-A filed with the SEC on April 11, 2011 and incorporated herein by reference.

### **Important Information For Investors And Stockholders**

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. The proposed transaction will be submitted to the stockholders of Level 3 and the stockholders of Global Crossing for their consideration. Level 3 and Global Crossing will file a registration statement on Form S-4, a joint proxy statement/prospectus and other relevant documents concerning the proposed transaction with the SEC. Level 3 and Global Crossing will each provide the final joint proxy statement/prospectus to its respective stockholders. Investors and security holders are urged to read the registration statement and the joint proxy statement/prospectus and any other relevant documents filed with the SEC when they become available, as well as any amendments or supplements to those documents, because they will contain important information about Level 3, Global Crossing and the proposed transaction. Investors and security holders will be able to obtain a free copy of the registration statement and joint proxy statement/prospectus, as well as other filings containing information about Level 3 and Global Crossing free of charge at the SEC’s Web Site at <http://www.sec.gov>. In addition, the joint proxy statement/prospectus, the SEC filings that will be incorporated by reference in the joint proxy statement/prospectus and the other documents filed with the SEC by Level 3 may be obtained free of charge by directing such request to: Investor Relations, Level 3 Communications, Inc., 1025 Eldorado Boulevard, Broomfield, Colorado 80021 or from Level 3’s Investor Relations page on its corporate website at <http://www.level3.com> and the joint proxy statement/prospectus, the SEC filings that will be incorporated by reference in the joint proxy statement/prospectus and the other documents filed with the SEC by Global Crossing be obtained free of charge by directing such request to: Global Crossing by telephone at (800) 836-0342 or by submitting a request by e-mail to [glbc@globalcrossing.com](mailto:glbc@globalcrossing.com) or a written request to the Secretary, Wessex House, 45 Reid Street, Hamilton HM12 Bermuda or from Global Crossing’s Investor Relations page on its corporate website at <http://www.globalcrossing.com>.

Level 3, Global Crossing and their respective directors, executive officers, and certain other members of management and employees may be deemed to be participants in the solicitation of proxies in favor of the proposed transactions from the stockholders of Level 3 and from the stockholders of Global Crossing, respectively. Information about the directors and executive officers of Level 3 is set forth in the proxy statement on Schedule 14A for Level 3’s 2011 Annual Meeting of Stockholders, which was filed with the SEC on April 4, 2011 and information about the directors and executive officers of Global Crossing is set forth in the proxy statement for Global Crossing’s 2010 Annual Meeting of Stockholders, which was filed with the SEC on May 19, 2010. Additional information regarding participants in the proxy solicitation may be obtained by reading the joint proxy statement/prospectus regarding the proposed transaction when it becomes available.

### **Cautionary Notice Regarding Forward-Looking Statements**

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, (i) statements about the benefits of the acquisition of Global Crossing by Level 3, including financial and operating results and synergy benefits that may be realized from the acquisition and the timeframe for realizing those benefits; Level 3’s plans, objectives, expectations and intentions and other statements contained in this



communication that are not historical facts; and (ii) other statements identified by words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” or words of similar meaning.

These forward-looking statements are based upon management’s current beliefs or expectations and are inherently subject to significant business, economic and competitive uncertainties and contingencies and third-party approvals, many of which are beyond our control. The following factors, among others, could cause actual results to differ materially from those expressed or implied in the forward-looking statements: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Agreement and Plan of Amalgamation among Level 3, Global Crossing and Apollo Amalgamation Sub, Ltd. (the “Amalgamation Agreement”); (2) the inability to complete the transactions contemplated by the Amalgamation Agreement due to the failure to obtain the required stockholder approvals; (3) the inability to satisfy the other conditions specified in the Amalgamation Agreement, including without limitation the receipt of necessary governmental or regulatory approvals required to complete the transactions contemplated by the Amalgamation Agreement; (4) the inability to successfully integrate the businesses of Level 3 and Global Crossing or to integrate the businesses within the anticipated timeframe; (5) the risk that the proposed transactions disrupt current plans and operations, increase operating costs and the potential difficulties in customer loss and employee retention as a result of the announcement and consummation of such transactions; (6) the ability to recognize the anticipated benefits of the combination of Level 3 and Global Crossing, including the realization of revenue and cost synergy benefits and to recognize such benefits within the anticipated timeframe; (7) the outcome of any legal proceedings that may be instituted against Level 3, Global Crossing or others following announcement of the Amalgamation Agreement and transactions contemplated therein; and (8) the possibility that Level 3 or Global Crossing may be adversely affected by other economic, business, and/or competitive factors.

Other important factors that may affect Level 3’s and the combined business’ results of operations and financial condition include, but are not limited to: the current uncertainty in the global financial markets and the global economy; a discontinuation of the development and expansion of the Internet as a communications medium and marketplace for the distribution and consumption of data and video; disruptions in the financial markets that could affect Level 3’s ability to obtain additional financing, and the company’s ability to: increase and maintain the volume of traffic on its network; develop effective business support systems; manage system and network failures or disruptions; develop new services that meet customer demands and generate acceptable margins; defend intellectual property and proprietary rights; adapt to rapid technological changes that lead to further competition; attract and retain qualified management and other personnel; successfully integrate acquisitions; and meet all of the terms and conditions of debt obligations.

Additional information concerning these and other important factors can be found within Level 3’s filings with the SEC, which discuss the foregoing risks as well as other important risk factors that could contribute to such differences or otherwise affect our business, results of operations and financial condition. Statements in this communication should be evaluated in light of these important factors. The forward-looking statements in this communication speak only as of the date they are made. Except for the ongoing obligations of Level 3 to disclose material information under the federal securities laws, Level 3 does not undertake any obligation to, and expressly disclaim any such obligation to, update or alter any forward-looking statement to reflect new information, circumstances or events that occur after the date such forward-looking statement is made unless required by law.

#### **Item 9.01. Financial Statements and Exhibits**

(d) Exhibits. The following exhibits are filed herewith:

<b>Exhibit #</b>	<b>Description</b>
2.1	Agreement and Plan of Amalgamation, dated as of April 10, 2011, by and among Level 3 Communications, Inc., Apollo Amalgamation Sub, Ltd. and Global Crossing Limited
3.1	Certificate of Designation of Series B Junior Participating Preferred Stock, incorporated by reference to Exhibit 3.1 of the Company’s Form 8-A filed with the SEC on April 11, 2011
4.1	Stockholder Rights Agreement, dated as of April 10, 2011, by and between Level 3 Communications, Inc. and STT Crossing Ltd.
4.2	Rights Agreement, dated as of April 10, 2011, by and between Level 3 Communications, Inc. and Wells Fargo Bank, N.A., as rights agent, incorporated by reference to Exhibit 4.1 of the Company’s Form 8-A filed with the SEC on April 11, 2011

- 10.1 Voting Agreement, dated as of April 10, 2011, by and between Level 3 Communications, Inc. and STT Crossing Ltd.
- 10.2 Commitment Letter, dated as of April 10, 2011, by and among Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Level 3 Communications, Inc. and Level 3 Financing, Inc.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

### Level 3 Communications, Inc.

Dated: April 13, 2011

By: /s/ Neil J. Eckstein

Name: Neil J. Eckstein

Title: Senior Vice President

AGREEMENT AND PLAN OF AMALGAMATION

among

LEVEL 3 COMMUNICATIONS, INC.,

APOLLO AMALGAMATION SUB, LTD.

and

GLOBAL CROSSING LIMITED

Dated as of April 10, 2011

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## AGREEMENT AND PLAN OF AMALGAMATION

AGREEMENT AND PLAN OF AMALGAMATION, dated as of April 10, 2011 (this “Agreement”), among LEVEL 3 COMMUNICATIONS, INC, a Delaware corporation (“Parent”), APOLLO AMALGAMATION SUB, LTD., a Bermuda exempted limited liability company and a direct Wholly Owned Subsidiary of Parent (“Amalgamation Sub”), and GLOBAL CROSSING LIMITED, a Bermuda exempted limited liability company (the “Company”).

### W I T N E S S E T H:

WHEREAS, it is proposed that Amalgamation Sub and the Company will amalgamate under the laws of Bermuda (the “Amalgamation”) and continue as a Bermuda exempted limited liability company, upon the terms and subject to the conditions of this Agreement and the amalgamation agreement attached hereto as Exhibit A (the “Amalgamation Agreement”) and in accordance with the Companies Act 1981 of Bermuda, as amended (the “Companies Act”);

WHEREAS, the respective Boards of Directors of Parent, Amalgamation Sub and the Company have each adopted this Agreement and the Amalgamation Agreement, authorized and approved the Amalgamation, upon the terms and subject to the conditions set forth in this Agreement and the Amalgamation Agreement, pursuant to which each common share, par value \$0.01 per share, of the Company (“Company Common Share”) and each share of Convertible Preferred Stock issued and outstanding immediately prior to the Effective Time, other than shares owned or held by Parent or the Company or their respective Subsidiaries and other than Dissenting Shares, will be exchanged into shares of common stock, par value \$0.01 per share, of Parent (“Parent Common Stock”), and deem it fair to, advisable to and in the best interests of their respective company to enter into this Agreement and to consummate the Amalgamation and the other transactions contemplated hereby;

WHEREAS, as a condition to Parent entering into this Agreement and the Amalgamation Agreement and incurring the obligations set forth herein and therein, concurrently with the execution and delivery of this Agreement, Parent is entering into a Voting Agreement with a certain shareholder (the “Shareholder”) of the Company (the “Voting Agreement”) pursuant to which, among other things, the Shareholder has agreed, subject to the terms thereof, to vote all Company Common Shares and shares of Convertible Preferred Stock it owns in accordance with the terms of the Voting Agreement;

WHEREAS, for U.S. federal income tax purposes, Parent, Amalgamation Sub and the Company intend that the Amalgamation shall qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations promulgated thereunder (“Treasury Regulations”), and, by approving resolutions authorizing this Agreement and the Amalgamation Agreement, to adopt this Agreement and the Amalgamation Agreement as a “plan of reorganization” within the meaning of Section 368(a) of the Code and the Treasury Regulations; and

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WHEREAS, Parent, Amalgamation Sub and the Company desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated hereby and also to prescribe various conditions to the transactions contemplated hereby.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth herein, and intending to be legally bound hereby, the parties hereto agree as follows:

## ARTICLE I.

### THE AMALGAMATION

**Section 1.1. The Amalgamation; Company Name.** Upon the terms and subject to the conditions set forth in this Agreement and the Amalgamation Agreement, at the Effective Time, Amalgamation Sub and the Company shall amalgamate pursuant to the Companies Act, and Amalgamation Sub and the Company shall continue as a Bermuda exempted limited liability company (the “Amalgamated Company”) as a result of the Amalgamation. The name of the Amalgamated Company shall be “Level 3 GC Limited”.

**Section 1.2. Closing.** Unless this Agreement shall have been terminated pursuant to the provisions of Section 9.1, the closing of the Amalgamation (the “Closing”) will take place on the date that is the later of (i) the third Business Day after the satisfaction or waiver (subject to applicable law) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Closing, but subject to the satisfaction or, where permitted, waiver of those conditions as of the Closing) set forth in Article VIII and (ii) the final day of the Marketing Period or such earlier date as may be specified by Parent on no less than three Business Days’ prior written notice to the Company, unless another time or date is agreed to in writing by the parties hereto (the date of the Closing, the “Closing Date”). The Closing shall be held at the offices of Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, unless another place is agreed to in writing by the parties hereto.

**Section 1.3. Effective Time.** Subject to the provisions of this Agreement and the Amalgamation Agreement, as soon as practicable following the Closing and on the Closing Date, the parties shall cause the Amalgamation to be registered by filing the Memorandum of Association and all other documents required by the Companies Act (the “Amalgamation Application”) with the Registrar of Companies of Bermuda (the “Registrar”) in accordance with Section 108 of the Companies Act as evidenced by the certificate of amalgamation. The Amalgamation shall become effective on the date shown on the certificate of amalgamation, which shall be the Closing Date. The effective time of the Amalgamation will be the time shown on the certificate of amalgamation (the “Effective Time”).

**Section 1.4. Effects of the Amalgamation.** At the Effective Time, the effect of the Amalgamation shall be as provided for in Section 109 of the Companies Act. Under Section 109 of the Companies Act, from and after the Effective Time: (i) the Amalgamation of the Company and Amalgamation Sub and their continuance as one company shall become

effective; (ii) the property of each of the Company and Amalgamation Sub shall become the property of the Amalgamated Company; (iii) the Amalgamated Company shall continue to be liable for the obligations and liabilities of each of the Company and Amalgamation Sub; (iv) any existing cause of action, claim or liability to prosecution shall be unaffected; (v) a civil, criminal or administrative action or proceeding pending by or against the Company or Amalgamation Sub may be continued to be prosecuted by or against the Amalgamated Company; and (vi) a conviction against, or ruling, order or judgment in favor of or against, the Company or Amalgamation Sub may be enforced by or against the Amalgamated Company.

**Section 1.5. Memorandum of Association.** The memorandum of association of the Amalgamated Company shall be as set forth in the Amalgamation Agreement (the “Memorandum of Association”).

**Section 1.6. Bye-laws.** The bye-laws of the Amalgamated Company shall be as set forth in the Amalgamation Agreement (the “Bye-laws”).

**Section 1.7. Directors; Officers.** From and after the Effective Time, the directors of the Amalgamated Company shall be the directors as set forth in the Amalgamation Agreement and the officers of the Company immediately prior to the Effective Time shall be the officers of the Amalgamated Company, in each case until their respective successors are duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with applicable law and the Bye-laws.

**Section 1.8. Effect on Share Capital.** Pursuant to the terms of this Agreement and the Amalgamation Agreement, at the Effective Time, by virtue of the Amalgamation and without any action on the part of the holder thereof:

(a) Each Company Common Share issued and outstanding immediately prior to the Effective Time other than any Dissenting Shares or shares owned by Parent or the Company or their respective Subsidiaries, shall be exchanged for sixteen (16) (the “Exchange Ratio”) fully paid and nonassessable shares of Parent Common Stock, subject to Section 2.5 with respect to fractional shares, including the associated rights under the Rights Agreement (the “Amalgamation Consideration”).

(b) Each share of Convertible Preferred Stock issued and outstanding immediately prior to the Effective Time other than any Dissenting Shares or shares owned by Parent or the Company or their respective Subsidiaries, shall be exchanged for fully paid and nonassessable shares of Parent Common Stock at the Exchange Ratio, subject to Section 2.5 with respect to fractional shares, including the associated rights under the Rights Agreement, plus an amount equal to the aggregate accrued and unpaid dividends payable thereon as set forth on Schedule 1.8(b).

(c) All Company Common Shares and shares of Convertible Preferred Stock (other than shares referred to in Section 1.8(f)) shall cease to be issued and outstanding and shall be canceled and shall cease to exist, and each holder of a valid certificate or certificates which immediately prior to the Effective Time represented any such Company Common Share or share of Convertible Preferred Stock (“Certificates”) or holder of Company Common Shares or shares

of Convertible Preferred Stock evidenced by way of entry in the register of shareholders of the Company immediately prior to the Effective Time (“Uncertificated Company Stock”) shall thereafter cease to have any rights with respect to such Company Common Shares or shares of Convertible Preferred Stock, except the right to receive the Amalgamation Consideration in accordance with Article II and any dividends or other distributions to which holders of Certificates or Uncertificated Company Stock become entitled pursuant to Section 2.3.

(d) Each share of common stock, par value \$1.00 per share, of Amalgamation Sub issued and outstanding immediately prior to the Effective Time shall be converted into one share of common stock, par value \$1.00 of the Amalgamated Company.

(e) Each Company Common Share and each share of Convertible Preferred Stock owned directly by Parent, its Subsidiaries or the Company at the Effective Time shall, by virtue of the Amalgamation, cease to be outstanding and shall be canceled and retired and no stock of Parent or other consideration shall be delivered in exchange therefor. Any Company Common Shares and shares of Convertible Preferred Stock held by a Wholly Owned Subsidiary of the Company shall be cancelled and exchanged for such number of shares of the Amalgamated Company that bears the same ratio to the aggregate number of issued and outstanding shares of the Amalgamated Company as the number of Company Common Shares and shares of Convertible Preferred Stock (on an as converted basis) held by such Company Subsidiary bore to the aggregate number of issued and outstanding Company Common Shares immediately prior to the Effective Time.

(f) Notwithstanding anything in this Agreement to the contrary, Company Common Shares or shares of Convertible Preferred Stock held by a dissenting shareholder (“Dissenting Shares”) for the purposes of Section 106 of the Companies Act (a “Dissenting Shareholder”) shall not be exchanged for the Amalgamation Consideration, but, instead, shall be cancelled and converted into a right to receive payment of fair value pursuant to and subject to Section 106 of the Companies Act; provided that if a Dissenting Shareholder fails to perfect, effectively withdraws or otherwise waives or loses such right, such Dissenting Shareholder’s right to receive payment of fair value shall be exchanged as of the Effective Time into a right to receive the Amalgamation Consideration as provided in Section 1.8(a). The Company shall give Parent: (i) prompt notice of the existence of any Dissenting Shareholder, including any application to the Supreme Court of Bermuda pursuant to Section 106 of the Companies Act, attempted withdrawals or withdrawals of applications to the Supreme Court of Bermuda for appraisal of the fair value of the Dissenting Shares and any other instruments served pursuant to the Companies Act and received by the Company relating to any Dissenting Shareholder’s rights to be paid the fair value of such Dissenting Shareholder’s Dissenting Shares, as provided in Section 106 of the Companies Act; and (ii) the opportunity and right to participate in any and all substantive negotiations and proceedings with respect to demands for appraisal under the Companies Act. Except as required by the Companies Act or other applicable law, the Company shall not (i) make any payments with respect to any demand by the holder(s) of Dissenting Shares for appraisal of their Dissenting Shares, (ii) offer to settle or settle any such demands, or (iii) waive any failure to timely deliver a written demand for appraisal or timely take any other action to perfect appraisal rights in accordance with the Companies Act.

(g) If prior to the Effective Time, Parent or the Company, as the case may be, should split, subdivide, consolidate, combine or otherwise reclassify the Parent Common Stock, Company Common Shares or shares of Convertible Preferred Stock, or pay a stock dividend or other stock distribution in Parent Common Stock, Company Common Shares or shares of Convertible Preferred Stock, as applicable, or otherwise change the Parent Common Stock, Company Common Shares or shares of Convertible Preferred Stock into any other securities, or make any other such stock dividend or distribution in capital stock of Parent or the Company in respect of the Parent Common Stock, Company Common Shares or shares of Convertible Preferred Stock, respectively, then any number or amount contained herein which is based upon the price of Company Common Shares, shares of Convertible Preferred Stock or Parent Common Stock or the number of Company Common Shares, shares of Convertible Preferred Stock or Parent Common Stock, as the case may be, will be appropriately adjusted to reflect such split, combination, dividend or other distribution or change.

**Section 1.9. Treatment of Options and Restricted Stock Units .**

(a) Company Options . Each option to purchase Company Common Shares issued by the Company (each, a “Company Option” and collectively, the “Company Options”) outstanding and unexercised immediately prior to the Effective Time under any Company Benefit Plan or otherwise, whether or not then exercisable and whether or not vested, shall be automatically exchanged, by virtue of the Amalgamation and without any action on the part of the holder thereof, for an option to purchase shares of Parent Common Stock (each such option, a “Rollover Option”). Each Rollover Option will be subject to, and shall vest and remain exercisable in accordance with, the same terms and conditions as the Company Option that it replaces, except that the exercise price shall be divided by the Exchange Ratio and the number of shares of Parent Common Stock issuable upon exercise shall be equal to the number of Company Common Shares subject to such Company Option immediately prior to the Effective Time multiplied by the Exchange Ratio; provided, that any fractional shares of Parent Common Stock resulting from such multiplication shall be rounded down to the nearest whole share and the exercise price of each Rollover Option shall be rounded up to the nearest whole cent.

(b) Restricted Stock Unit . Each restricted stock unit and performance-based restricted stock unit covering Company Common Shares (each a “Company RSU”) outstanding immediately prior to the Effective Time under any Company Benefit Plan or otherwise, whether or not then vested, shall vest as of immediately prior to the Effective Time, except that the performance-based Company RSUs shall vest only to the extent provided in the applicable award agreements, and such vested Company RSUs shall settle in accordance with the terms of the applicable award agreements; provided that upon settlement, by virtue of the Amalgamation and without any action on the part of the holders thereof, each holder of a Company RSU shall receive, in lieu of Company Common Shares, a number of shares of Parent Common Stock equal to the number of Company Common Shares otherwise issuable upon settlement of such Company RSUs multiplied by the Exchange Ratio; provided further, that any fractional shares of Parent Common Stock resulting from such multiplication shall be rounded down to the nearest whole share. For the avoidance of doubt, any performance-based Company RSUs that do not vest immediately prior to the Effective Time shall be canceled as of immediately prior to the Effective Time for no consideration as provided in the applicable award agreements.

(c) Company Actions. Prior to the Effective Time, the Company will adopt such resolutions and take such other actions as are necessary in order to effectuate the actions contemplated by this Section 1.9, without paying any consideration or incurring any debts or obligations on behalf of Parent, the Company or the Amalgamated Company, provided, that such resolutions and actions shall expressly be conditioned upon the consummation of the Amalgamation and the other transactions contemplated hereby and shall be of no effect if this Agreement is terminated.

(d) Form S-8. Not later than the date on which the Effective Time occurs, Parent shall file or cause to be filed all registration statements on Form S-8 or other appropriate form as may be necessary in connection with the purchase and sale of Parent Common Stock contemplated by the Rollover Options subsequent to the Effective Time.

**Section 1.10. Reorganization.** This Agreement is intended to constitute a “plan of reorganization” with respect to the Amalgamation for U.S. federal income tax purposes pursuant to which, for such purposes, the Amalgamation is to be treated as a “reorganization” under Section 368(a) of the Code (to which each of Parent, Amalgamation Sub and the Company are to be parties under Section 368(b) of the Code).

## ARTICLE II.

### EXCHANGE OF CERTIFICATES

**Section 2.1. Exchange Fund.** At or prior to the Effective Time, Parent shall deposit with Wells Fargo Bank, N.A. or such other bank or trust company as Parent shall determine and who shall be reasonably satisfactory to the Company (the “Exchange Agent”), in trust for the benefit of holders of Company Common Shares or shares of Convertible Preferred Stock, for exchange in accordance with Section 1.8, book-entry shares representing the Parent Common Stock to be exchanged for outstanding Company Common Shares and shares of Convertible Preferred Stock. Parent agrees to make available to the Exchange Agent from time to time as needed, cash sufficient to pay any dividends and other distributions pursuant to Section 2.3. Any shares of Parent Common Stock deposited with the Exchange Agent shall hereinafter be referred to as the “Exchange Fund.”

**Section 2.2. Exchange Procedures.**

(a) As promptly as practicable after the Effective Time, the Exchange Agent will send to each holder of a Certificate or holder of shares of Uncertificated Company Stock other than Dissenting Shares (i) a letter of transmittal (which shall specify that delivery shall be effected, and risk of loss and title to Certificates shall pass, only upon delivery of the Certificates to the Exchange Agent and shall be in a form and have such other provisions as Parent may reasonably specify) and (ii) instructions for use in effecting the surrender of the Certificates or Uncertificated Company Stock in exchange for the Amalgamation Consideration. As soon as reasonably practicable after the Effective Time, upon surrender of title to Company Common Shares and shares of Convertible Preferred Stock previously held by a shareholder in accordance with this Section 2.2, together with such letter of transmittal, duly executed, and such other

documents as may reasonably be required by the Exchange Agent, each holder of a Certificate or Uncertificated Company Stock shall be entitled to receive in exchange therefor the number of full shares of Parent Common Stock (which shall be in uncertificated book-entry form) into which the aggregate number of Company Common Shares or shares of Convertible Preferred Stock previously represented by such Certificate shall have been exchanged pursuant to this Agreement, and cash in respect of any dividends or other distributions to which holders are entitled pursuant to Section 2.3, if any. The Exchange Agent shall accept such Certificates or Uncertificated Company Stock upon compliance with such reasonable terms and conditions as the Exchange Agent may impose to effect an orderly exchange thereof in accordance with normal exchange practices.

(b) No interest will be paid or will accrue on any cash payable pursuant to Section 2.3.

(c) In the event of a transfer of ownership of a Certificate representing Company Common Shares or shares of Convertible Preferred Stock which is not registered in the transfer records of the Company, one or more shares of Parent Common Stock evidencing, in the aggregate, the proper number of shares of Parent Common Stock and a check in the proper amount of cash with respect to any dividends or other distributions to which such holder is entitled pursuant to Section 2.3, may be issued with respect to such Company Common Shares or shares of Convertible Preferred Stock to such a transferee only if the Certificate representing such Company Common Shares or shares of Convertible Preferred Stock is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer Taxes have been paid.

**Section 2.3. Distributions with Respect to Unexchanged Shares.** All shares of Parent Common Stock to be issued pursuant to this Agreement shall be deemed issued and outstanding as of the Effective Time and whenever a dividend or other distribution is declared by Parent in respect of the Parent Common Stock, the record date for which is at or after the Effective Time, that declaration shall include dividends or other distributions in respect of all shares of Parent Common Stock issuable pursuant to this Agreement; provided that no dividends or other distributions declared or made in respect of the Parent Common Stock shall be paid to the holder of any unexchanged Certificate until the holder of such Certificate shall exchange such Certificate in accordance with this Article II. Subject to the effect of applicable laws, following exchange of any such Certificate, there shall be paid to such holder of shares of Parent Common Stock issuable in exchange therefor, without interest, (a) promptly after the time of such exchange, the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of Parent Common Stock, and (b) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such exchange and a payment date subsequent to such exchange payable with respect to such shares of Parent Common Stock which such shareholder is entitled to receive hereunder.

**Section 2.4. No Further Ownership Rights in Company Common Shares or Convertible Preferred Stock.** All shares of Parent Common Stock issued upon conversion of Company Common Shares or shares of Convertible Preferred Stock in accordance with the terms

of Article I and this Article II (including any cash paid pursuant to Section 2.3) shall be deemed to have been issued or paid in full satisfaction of all rights pertaining to the Company Common Shares and shares of Convertible Preferred Stock, respectively.

**Section 2.5.      No Fractional Shares of Parent Common Stock .** No book-entry shares representing less than one share of Parent Common Stock shall be issued upon the exchange of Certificates representing Company Common Shares or shares of Convertible Preferred Stock pursuant to Section 1.8 hereof. Any fractional shares that would otherwise be issuable pursuant to Section 1.8 hereof shall be rounded up to the nearest whole number.

**Section 2.6.      Termination of Exchange Fund .** Any portion of the Exchange Fund which remains undistributed to the holders of Company Common Shares or shares of Convertible Preferred Stock for twelve (12) months after the Effective Time shall be delivered to the Amalgamated Company or otherwise on the instruction of the Amalgamated Company, and any holders of Company Common Shares or shares of Convertible Preferred Stock who have not theretofore complied with this Article II shall thereafter look only to the Amalgamated Company and Parent (subject to abandoned property, escheat or other similar laws) for the Amalgamation Consideration to which such holders are entitled pursuant to Section 1.8 and any dividends or distributions with respect to shares of Parent Common Stock to which such holders are entitled pursuant to Section 2.3. Any such portion of the Exchange Fund remaining unclaimed by holders of Company Common Shares or shares of Convertible Preferred Stock five (5) years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity) shall, to the extent permitted by law, become the property of the Amalgamated Company free and clear of any claims or interest of any Person previously entitled thereto.

**Section 2.7.      No Liability .** None of Parent, Amalgamation Sub, the Company, the Amalgamated Company or the Exchange Agent shall be liable to any Person in respect of any Amalgamation Consideration from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

**Section 2.8.      Lost Certificates .** If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Amalgamated Company, the posting by such Person of a bond in such reasonable amount as the Amalgamated Company may direct as indemnity against any claim that may be made against it with respect to such Certificate or other documentation (including an indemnity in customary form) reasonably requested by Parent, the Exchange Agent will deliver in exchange for such lost, stolen or destroyed Certificate the applicable Amalgamation Consideration with respect to the Company Common Shares or shares of Convertible Preferred Stock formerly represented thereby, and any unpaid dividends and distributions on shares of Parent Common Stock deliverable in respect thereof, pursuant to this Agreement.

**Section 2.9.      Withholding Rights .** Each of the Amalgamated Company, Parent and Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of Company Common Shares, shares of



Convertible Preferred Stock, Company Options, or Company RSUs, such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of U.S. state or local or non-U.S. tax law. To the extent that amounts are so withheld by the Amalgamated Company, Parent or the Exchange Agent, as the case may be, and timely paid over to the appropriate Governmental Entity, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the Company Common Shares or shares of Convertible Preferred Stock in respect of which such deduction and withholding was made by the Amalgamated Company, Parent or the Exchange Agent, as the case may be. Parent has no current intention to withhold, or to cause the Amalgamated Company or the Exchange Agent to withhold, any amounts pursuant to this Section 2.9 and shall promptly, but in any event at least ten (10) Business Days prior to the Amalgamation, notify the Company in the event that Parent determines that it, the Amalgamated Company or the Exchange Agent is required to make any such withholdings.

**Section 2.10. Further Assurances.** At and after the Effective Time, the officers and directors of the Amalgamated Company will be authorized to execute and deliver any deeds, bills of sale, assignments or assurances and to take and do any other actions and things in each case to vest, perfect or confirm of record or otherwise in the Amalgamated Company any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Amalgamated Company as a result of, or in connection with, the Amalgamation.

**Section 2.11. Stock Transfer Books.** At the close of business, New York time, on the day the Effective Time occurs, the stock transfer books of the Company shall be closed and there shall be no further registration of transfers of Company Common Shares or shares of Convertible Preferred Stock thereafter on the records of the Company. From and after the Effective Time, the holders of Certificates or Uncertificated Company Stock shall cease to have any rights with respect to such Company Common Shares or shares of Convertible Preferred Stock, except as otherwise provided herein or by law. On or after the Effective Time, any Certificates presented to the Exchange Agent or Parent for any reason shall be exchanged for the Amalgamation Consideration with respect to the Company Common Shares or shares of Convertible Preferred Stock formerly represented thereby, and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 2.3.

### **ARTICLE III.**

#### **REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

Except as otherwise expressly disclosed in the Company SEC Reports filed or furnished prior to the date hereof (other than (i) any information that is contained solely in the “Risk Factors” section of such Company SEC Reports and (ii) any forward-looking statements, or other statements that are similarly predictive or forward-looking in nature, contained in such Company SEC Reports) or as set forth in the Company Disclosure Schedule, the Company hereby represents and warrants to Parent and Amalgamation Sub as follows:

**Section 3.1. Corporate Organization .** Each of the Company and its Subsidiaries is duly organized, validly existing and in good standing or similar concept under the laws of the jurisdiction of its organization and has all requisite corporate, limited liability company or limited partnership power (as the case may be) to own its properties and assets and to conduct its business as now conducted, except where the failure to be so qualified or in good standing in such jurisdiction would not, individually or in the aggregate, have a Company Material Adverse Effect. Copies of the Company Organizational Documents and the organizational documents of each material Subsidiary of the Company, with all amendments thereto to the date hereof, have been made available to Parent or its representatives, and such copies are accurate and complete as of the date hereof.

**Section 3.2. Qualification to Do Business .** Each of the Company and its Subsidiaries is duly qualified to do business as a foreign corporation, limited liability company or partnership (as the case may be) and is in good standing or similar concept in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Company Material Adverse Effect.

**Section 3.3. No Conflict or Violation .** The execution, delivery and, subject to the receipt of the Required Company Vote, performance by the Company of this Agreement and the Amalgamation Agreement do not and will not (i) violate or conflict with any provision of any Company Organizational Document or any of the organizational documents of the Subsidiaries of the Company, (ii) subject to the receipt of any consents set forth in Section 3.4, violate any provision of law, or any order, judgment or decree of any Governmental Entity, (iii) subject to the receipt of any consents set forth on Schedule 3.4 , result in the creation or imposition of any Lien (other than any Permitted Lien) upon any of the assets, properties or rights of either of the Company or any of its Subsidiaries or result in or give to others any rights of cancellation, modification, amendment, acceleration, revocation or suspension of any of the Company Licenses and Permits or (iv) except as set forth on Schedule 3.3 , violate or result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, agreement or instrument to which the Company or any of its Subsidiaries is a party or by which it is bound or to which any of its properties or assets is subject except in each case with respect to clauses (iii) and (iv), for any such violations, breaches or defaults that would not, individually or in the aggregate, have a Company Material Adverse Effect. The Debt Tender Offer would not violate or conflict with any material contract of the Company or its Subsidiaries or of the GCUK Issuers or their Subsidiaries.

**Section 3.4. Consents and Approvals .** No consent, waiver, authorization or approval of any Governmental Entity, and no declaration or notice to or filing or registration with any Governmental Entity, is necessary or required in connection with the execution and delivery of this Agreement or the Amalgamation Agreement by the Company or the performance by the Company or its Subsidiaries of their obligations hereunder or thereunder, except for: (i) the filing of the Memorandum of Association and the Amalgamation Application with the Registrar and appropriate documents with the relevant authorities of the other jurisdictions in which Parent, the Company or any Subsidiary is qualified to do business; (ii) the filing of a

Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (the “HSR Act”) and other filings under applicable antitrust, competition or similar laws of other jurisdictions; (iii) the filing of applications jointly by the parties with the FCC, U.S. state public utility commissions and relevant telecommunications regulatory authorities in other jurisdictions for approval of the transfer of control of the Company, and receipt of such approvals; (iv) a joint filing with and clearance by the Committee on Foreign Investment in the United States (“CFIUS”) pursuant to the Section 721 of the Defense Production Act of 1950, as amended (the “Defense Production Act”); (v) applicable requirements of the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the “Securities Act”) and of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “Exchange Act”); (vi) the consents, waivers, authorizations or approvals of any Governmental Entity set forth on Schedule 3.4; and (vii) such consents, waivers, authorizations, approvals, declarations, notices, filings or registrations, which if not obtained or made would not have, a Company Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement.

**Section 3.5. Authorization and Validity of Agreement.** The Company has the requisite corporate power and authority to execute, deliver and, subject to receipt of the Required Company Vote, perform its obligations under this Agreement and the Amalgamation Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Amalgamation Agreement by the Company and the performance by the Company of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors of the Company and all other necessary corporate action on the part of the Company, other than the Required Company Vote, and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby. This Agreement has been, and the Amalgamation Agreement will be, duly and validly executed and delivered by the Company and, assuming due execution and delivery by Parent and Amalgamation Sub, shall constitute a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms, subject to (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors’ rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law).

**Section 3.6. Capitalization and Related Matters.**

(a) As of the date hereof, the authorized capital stock of the Company consists of 110,000,000 Company Common Shares and 45,000,000 shares of Convertible Preferred Stock. As of April 7, 2011:

- (i) 61,064,896 Company Common Shares and 18,000,000 shares of Convertible Preferred Stock are issued and outstanding;
- (ii) 8,539,957 Company Common Shares (the “Company Share Reserve”) are reserved for issuance and issuable upon or otherwise deliverable

under the 2003 Global Crossing Limited Stock Incentive Plan. The Global Crossing Share Reserve represents 870,096 Company Common Shares issuable upon the exercise of outstanding Company Options, 7,045,853 Company Common Shares issuable upon the settlement of outstanding Company RSUs assuming maximum payout and 624,008 Company Common Shares remaining available for issuance or delivery under the 2003 Global Crossing Limited Stock Incentive Plan after the exercise of all such Company Options and settlement of all such Company RSUs assuming maximum payout. Schedule 3.6(a)(ii) sets forth the exercise prices for the Company Options and the vesting schedule for each outstanding Company Option and Company RSU; and

(iii) 18,000,000 Company Common Shares are reserved for issuance and issuable upon conversion of the Company's 2% Cumulative Preferred Shares, par value \$0.10 per share, (the "Convertible Preferred Stock").

(b) The issued and outstanding Company Common Shares and shares of Convertible Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and (ii) were issued in compliance with all applicable U.S. federal and state securities laws and any non-U.S. securities laws. With respect to the Company Options, (i) the per share exercise price of each Company Option was not less than the fair market value of a Company Common Share on the applicable date of grant, as determined in accordance with the terms of the applicable Company Benefit Plan and, to the extent applicable, sections 409A and 422 of the Code, (ii) each such grant was properly accounted for in all material respects in accordance with GAAP in the financial statements and no change is expected in respect of any prior financial statement relating to expenses for stock compensation and (iii) to the Knowledge of the Company, there is no pending audit, investigation or inquiry by any governmental agency or by the Company with respect to the Company's stock option granting practices or other equity compensation practices. Except as set forth above in Section 3.6(a), no shares of capital stock of the Company are issued and outstanding and the Company does not have outstanding any securities convertible into or exchangeable for any shares of capital stock, including Company Options, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or known claims of any other character relating to the issuance of, any capital stock, or any stock or securities convertible into or exchangeable for any capital stock; and, except as set forth on Schedule 3.6(b), the Company is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any shares of capital stock. Except as set forth above in Section 3.6(a), the Company does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or convertible into or exercisable for securities having the right to vote) with the shareholders of the Company on any matter. Except as set forth above in Section 3.6(a), there are no outstanding stock options, restricted stock units, restricted stock, stock appreciation rights, "phantom" stock rights, performance units, or other compensatory rights or awards (in each case, issued by the Company or any of its Subsidiaries), that are convertible into or exercisable for a Company Common Share on a deferred basis or otherwise or other rights that are linked to, or based upon, the value of Company Common Shares. All Company Options and Company RSUs are evidenced by award agreements in the forms previously made available to Parent.

(c) The Company has no rights plan, “poison-pill” or other similar agreement or arrangement or any anti-takeover provision in the Company Organizational Documents that is, or at the Effective Time shall be, applicable to the Company, the Company Common Shares, the Convertible Preferred Stock, the Amalgamation or the other transactions contemplated by this Agreement and the Amalgamation Agreement.

(d) All of the outstanding shares of capital stock, or membership interests or other ownership interests of, each Subsidiary of the Company, as applicable, are validly issued, fully paid and nonassessable and, except as set forth on Schedule 3.6(d), are owned of record and beneficially by the Company, directly or indirectly. The Company has, as of the date hereof and shall have on the Closing Date, valid and marketable title to all of the shares of capital stock of, or membership interests or other ownership interests in, each Subsidiary of the Company, free and clear of any Liens other than Permitted Liens. Such outstanding shares of capital stock of, or membership interests or other ownership interests in, the Subsidiaries of the Company, as applicable, are the sole outstanding securities of such Subsidiaries; the Subsidiaries of the Company do not have outstanding any securities convertible into or exchangeable for any capital stock of, or membership interests or other ownership interests in, such Subsidiaries, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any other character relating to the issuance of, any capital stock of, or membership interests or other ownership interests in, such Subsidiaries, or any stock or securities convertible into or exchangeable for any capital stock of, or membership interests or other ownership interests in, such Subsidiaries; and neither the Company or any of its Subsidiaries is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any capital stock of, or membership interests or other ownership interests in, any Subsidiary of the Company.

**Section 3.7. Subsidiaries and Equity Investments.** Except as set forth on Schedule 3.7, the Company and its Subsidiaries do not directly or indirectly own, or hold any rights to acquire, any material capital stock or any other material securities, interests or investments in any other Person other than investments that constitute cash or cash equivalents. The Company and its Subsidiaries do not directly or indirectly own, or hold any rights to acquire, in any material amounts, any cash equivalents consisting of auction-rate securities. No Subsidiary of the Company owns any shares of capital stock of the Company. There are no outstanding stock options, restricted stock units, restricted stock, stock appreciation rights, “phantom” stock rights, performance units, or other compensatory rights or awards (in each case, issued by the Company or any of its Subsidiaries) that are convertible into or exercisable for any capital stock of, or membership interests or other ownership interests in, any Subsidiary of the Company, on a deferred basis or otherwise or other rights that are linked to, or based upon, the value of any capital stock of, or membership interests or other ownership interests in, any Subsidiary of the Company.

**Section 3.8. Company SEC Reports.**

(a) The Company and its Subsidiaries have filed each report and definitive proxy statement (together with all amendments thereof and supplements thereto) required to be

filed by the Company or any of its Subsidiaries pursuant to the Exchange Act with the SEC since January 1, 2009 (as such documents have since the time of their filing been amended or supplemented, the “Company SEC Reports”). As of their respective dates, after giving effect to any amendments or supplements thereto filed prior to the date hereof, the Company SEC Reports (i) complied as to form in all material respects with the requirements of the Exchange Act, and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The audited consolidated financial statements and unaudited interim consolidated financial statements (including, in each case, the notes, if any, thereto) included in the Company SEC Reports complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto and except with respect to unaudited statements as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited interim financial statements included therein, to normal year-end adjustments and the absence of complete footnotes) in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the respective dates thereof and the consolidated results of their operations and cash flows for the respective periods then ended.

**Section 3.9. Absence of Certain Changes or Events.**

(a) Since December 31, 2010 through the date hereof, there has not been:

- (i) any Company Material Adverse Effect;
- (ii) any material loss, damage, destruction or other casualty to the assets or properties of either of the Company or any of its Subsidiaries (other than any for which insurance awards have been received or guaranteed);
- (iii) except as set forth on Schedule 3.9(a), any change in any method of accounting or accounting practice of either of the Company or any of its Subsidiaries except for any such change required by reason of a concurrent change in GAAP; or
- (iv) any loss of the employment, services or benefits of the chief executive officer of the Company and members of the Company’s senior management who report directly to such chief executive officer.

(b) Except as set forth on Schedule 3.9(b), since December 31, 2010 through the date hereof, each of the Company and each of its Subsidiaries has operated in the ordinary course of business and consistent with past practice and has not:

- (i) lent money to any Person (other than to the Company or any of its Wholly Owned Subsidiaries) or incurred or guaranteed any Indebtedness for borrowed money in excess of \$1,000,000 in the aggregate or entered into any

capital lease obligation, other than among the Company or any of its Wholly Owned Subsidiaries;

(ii) failed to discharge or satisfy any material Lien or pay or satisfy any obligation or liability or accounts payable (whether absolute, accrued, contingent or otherwise) in excess of \$2,000,000, other than Permitted Liens and obligations and liabilities being contested in good faith and for which adequate reserves have been provided in accordance with GAAP;

(iii) mortgaged, pledged or subjected to any Lien (other than Permitted Liens) any of its assets, properties or rights;

(iv) sold or transferred any of its material assets or cancelled any material debts or claims or waived any material rights in excess of \$2,000,000;

(v) either (A) granted an increase in the compensation or benefits of any current or former director or executive officer of the Company or its Subsidiaries or (B) other than increases in accordance with past practice not exceeding 5% of the Key Employee's annual base compensation then in effect, granted a material increase in the compensation or benefits of any employee of the Company or its Subsidiaries in the band of Level 7 or above who is not an executive officer (collectively, all employees in the band of Level 7 or above, including executive officers, "Key Employees");

(vi) entered into, adopted, amended or otherwise increased the benefits under any (A) employment, change of control, retention or severance agreement or arrangement with respect to any Key Employee or (B) Company Benefit Plan other than, in each case, in accordance with past practice;

(vii) in the case of the Company and any Subsidiary that is not a Wholly Owned Subsidiary, declared, paid, or set aside for payment any dividend or other distribution in respect of shares of its capital stock, membership interests or other securities, or redeemed, purchased or otherwise acquired, directly or indirectly, any shares of its capital stock, membership interests or other securities, or agreed to do so;

(viii) entered into any agreement or made any commitment to do any of the foregoing; or

(ix) been notified in writing of any change, cancellation or modification to any Customer Contract or Vendor Contract that would materially and adversely affect the Company's relationship with the applicable Customer or Vendor.

**Section 3.10. Tax Matters.** Except as set forth on Schedule 3.10 or as would not, individually or in the aggregate, have a Company Material Adverse Effect:

(a) (i) the Company and each of its Subsidiaries have filed when due all Tax Returns required by applicable law to be filed with respect to the Company and each of its Subsidiaries; (ii) all such Tax Returns were true, correct and complete in all respects as of the time of such filing; (iii) all Taxes owed by the Company and each of its Subsidiaries, if required to have been paid, have been paid (except for Taxes which are being contested in good faith); and (iv) as of the date of the latest financial statements of the Company, any liability of the Company or any of its Subsidiaries for accrued Taxes not yet due and payable, or which are being contested in good faith, has been provided for on the financial statements of the Company in accordance with GAAP;

(b) there is no action, suit, proceeding, investigation or audit now pending with respect to the Company or any of its Subsidiaries in respect of any Tax, nor has any claim for additional Tax been asserted in writing by any taxing authority;

(c) since January 1, 2005, no claim has been made in writing by any taxing authority in a jurisdiction where the Company or any of its Subsidiaries has not filed a Tax Return that it is or may be subject to Tax by such jurisdiction;

(d) (i) there is no outstanding request for any extension of time for the Company or any of its Subsidiaries to pay any Taxes or file any Tax Returns, other than any such request made in the ordinary course of business; (ii) there has been no waiver or extension of any applicable statute of limitations for the assessment or collection of any Taxes of the Company or any of its Subsidiaries that is currently in force; and (iii) neither the Company nor any of its Subsidiaries is a party to or bound by any agreement (other than any customary commercial contract not primarily related to Taxes) providing for the payment of Taxes, payment for Tax losses, entitlements to refunds or similar Tax matters;

(e) neither the Company nor any of its Subsidiaries that is domiciled or incorporated in Bermuda has received any written notice from the IRS or from the United Kingdom Inland Revenue to the effect that the Company or any such Subsidiary is or may be subject to U.S. federal income tax or U.K. income tax as a result of being engaged in a trade or business in the United States or in the United Kingdom, as applicable, and, to the best Knowledge and belief of the Company, neither the Company nor any of its Subsidiaries that is domiciled or incorporated in Bermuda has a permanent establishment in the United States or the United Kingdom;

(f) the Company and each of its Subsidiaries have withheld and paid all Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party;

(g) within the last two years, neither the Company nor any of its Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code;



(h) there is no Lien, other than a Permitted Lien, on any of the assets or properties of the Company and its Subsidiaries that arose in connection with any failure or alleged failure to pay any Tax;

(i) neither the Company nor any of its Subsidiaries has any liability for the Taxes of any Person (other than any of the Company and its Subsidiaries) under Treasury Regulations § 1.1502-6 (or any similar provision of U.S. state or local or non-U.S. law), as a transferee or successor, by contract, or otherwise;

(j) the Company and its Subsidiaries have not entered into, or permitted to be entered into, any closing or other agreement or settlement with respect to Taxes affecting or relating to the Company and its Subsidiaries; and

(k) neither the Company nor any of its Subsidiaries has taken or agreed to take any action, or is aware of any fact or circumstance, that would prevent the Amalgamation from qualifying as a reorganization within the meaning of Section 368(a) of the Code.

The representations and warranties set forth in this Section 3.10, Section 3.18 and Section 3.22(e) are the sole representations and warranties of the Company as to Tax matters.

**Section 3.11. Absence of Undisclosed Liabilities.**

(a) Except as set forth on Schedule 3.11(a), there are no liabilities or obligations of the Company or any Subsidiary thereof of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than (A) liabilities or obligations disclosed, reflected or reserved against and provided for in the consolidated balance sheet of the Company as of December 31, 2010 included in the Company SEC Reports filed prior to the date hereof or referred to in the notes thereto, (B) liabilities or obligations incurred in the ordinary course of business consistent with past practice since December 31, 2010, (C) liabilities or obligations that would not, individually or in the aggregate, have a Company Material Adverse Effect, (D) liabilities or obligations incurred pursuant to contracts entered into after the date hereof not in violation of this Agreement, or (E) liabilities or obligations incurred as contemplated or permitted by, or pursuant to, this Agreement or incurred with the consent of Parent.

(b) Except as shown on Schedule 3.11(b), neither of the Company or any of its Subsidiaries is directly or indirectly liable upon or with respect to (by discount, repurchase agreements or otherwise), or obliged in any other way to provide funds in respect of, or to guarantee or assume, any material debt, obligation or dividend of any Person (other than Wholly Owned Subsidiaries of the Company), except endorsements in the ordinary course of business in connection with the deposit, in banks or other financial institutions, of items for collection.

**Section 3.12. Company Property.**

(a) Schedule 3.12(a) contains a true and complete list of all material real property (other than repeater or amplifier sites) owned by the Company and its Subsidiaries (the “Company Owned Real Property”) as of the date hereof. The Company and its Subsidiaries have

good and valid title to all of the Company Owned Real Property free and clear of Liens other than Permitted Liens.

(b) Schedule 3.12(b)(i) sets forth a list of all leases, site leases, subleases and occupancy agreements, together with all material amendments thereto, in which either of the Company or its Subsidiaries has a leasehold interest, license or similar occupancy rights, whether as lessor or lessee, and which involve payments by the Company or its Subsidiaries in excess of \$500,000 per year (each, a “Company Lease” and collectively, the “Company Leases”; the property covered by Company Leases under which either of the Company or its Subsidiaries is a lessee is referred to herein as the “Company Leased Real Property”; the Company Leased Real Property, together with the Company Owned Real Property, collectively being the “Company Property”). Except as set forth on Schedule 3.12(b)(ii), the transactions contemplated by this Agreement and the Amalgamation Agreement do not require the consent or approval of the other party to the Company Leases, except for such consents or approvals, which, if not obtained, would not, individually or in the aggregate, have a Company Material Adverse Effect.

(c) Since December 31, 2010, no Company Lease has been modified or amended in writing in any way materially adverse to the business of the Company and its Subsidiaries except as set forth on Schedule 3.12(c) and no party to any Company Lease has given either of the Company or its Subsidiaries written notice of or, to the Knowledge of the Company, made a claim with respect to any breach or default, except for such defaults or breaches that, individually or in the aggregate, would not have a Company Material Adverse Effect.

(d) Except as set forth on Schedule 3.12(d), and other than with respect to IRUs, co-location, cross-connection, interconnection, entrance facilities or other rights incidental to the provision of services established in the ordinary course of business, none of the material Company Owned Real Property is subject to any option or other agreement granting to any Person or entity any right to obtain title to all or any portion of such property.

### **Section 3.13. Intellectual Property.**

(a) Except as set forth on Schedule 3.13(a) or as would not, individually or in the aggregate, have a Company Material Adverse Effect, (i) the Company and its Subsidiaries own all right, title and interest in and to, or have valid and enforceable licenses to use, all the Company Intellectual Property; (ii) to the Knowledge of the Company, no third party is infringing any Company Owned Intellectual Property; (iii) to the Knowledge of the Company, the Company and its Subsidiaries are not infringing, misappropriating or violating any Intellectual Property right of any third party; and (iv) there is no claim, suit, action or proceeding pending or, to the Knowledge of the Company, threatened against the Company or its Subsidiaries: (a) alleging any such violation, misappropriation or infringement of a third party’s Intellectual Property rights; or (b) challenging the Company’s or its Subsidiaries’ ownership or use of, or the validity or enforceability of, any Company Owned Intellectual Property.

(b) Schedule 3.13(b)(i) sets forth a true and complete list of all material issued Patents, registered trademarks and service marks, registered copyrights, and applications for any of the foregoing, in each case issued by, filed with, or recorded by, any Governmental Entity and

constituting Company Owned Intellectual Property (“Company Registered Intellectual Property”) and the owner of record, date of application, registration or issuance, and relevant jurisdiction as to each. All Company Registered Intellectual Property is owned by the Company and/or its Subsidiaries, free and clear of all Liens other than Permitted Liens.

(c) The Company and its Subsidiaries have in place commercially reasonable measures to protect and preserve the confidentiality of their material trade secrets and other material confidential information.

(d) Neither the Company nor any of its Subsidiaries is party to any agreement that obligates or otherwise would result in the licensing or sublicensing of (or an obligation to license or sublicense) any issued Patent owned by Parent or any of its Subsidiaries to a third party as a result of the Amalgamation.

#### **Section 3.14. Licenses and Permits.**

(a) Except as set forth on Schedule 3.14(a), the Company and its Subsidiaries own or possess all right, title and interest in and to each of their respective material licenses, permits, franchises, registrations, authorizations and approvals issued or granted to any of the Company or its Subsidiaries by any Governmental Entity as of the date hereof (the “Company Licenses and Permits”). The Company has taken all necessary action to maintain such Company Licenses and Permits. Each Company License and Permit has been duly obtained, is valid and in full force and effect, and is not subject to any pending or, to the Knowledge of the Company, threatened administrative or judicial proceeding to revoke, cancel, suspend or declare such Company License and Permit invalid in any respect, except, in each case, as would not, individually or in the aggregate, have a Company Material Adverse Effect. The Company Licenses and Permits are sufficient and adequate in all material respects to permit the continued lawful conduct of the business of the Company and its Subsidiaries as presently conducted, and none of the operations of the Company or its Subsidiaries is being conducted in a manner that violates in any material respects any of the terms or conditions under which any Company License and Permit was granted.

(b) The operations of the Company and its Subsidiaries are in compliance in all material respects with the terms and conditions of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (the “Communications Act”), applicable U.S. state or non-U.S. law and the published rules, regulations, and policies promulgated by any Governmental Entity, and neither the Company nor its Subsidiaries have done anything or failed to do anything which reasonably could be expected to cause the loss of any of the material Company Licenses and Permits.

(c) Other than those listed on Schedule 3.14(c), no petition, action, investigation, notice of violation or apparent liability, notice of forfeiture, order to show cause, complaint, or proceeding seeking to revoke, reconsider the grant of, cancel, suspend, or modify any of the material Company Licenses and Permits is pending or, to the Knowledge of the Company, threatened before any Governmental Entity. No notices have been received by and, no

claims have been filed against, the Company or its Subsidiaries alleging a failure to hold any material requisite permits, regulatory approvals, licenses or other authorizations.

**Section 3.15. Compliance with Law .**

(a) Except as set forth on Schedule 3.15, the operations of the business of the Company and its Subsidiaries have been conducted in accordance in all material respects with all applicable laws, regulations, orders and other requirements of all Governmental Entities having jurisdiction over such entity and its assets, properties and operations. Except as set forth on Schedule 3.15, since January 1, 2009, none of the Company or its Subsidiaries has received notice of any material violation (or any investigation with respect thereto) of any such law, regulation, order or other legal requirement, and none of the Company or its Subsidiaries is in default with respect to any order, writ, judgment, award, injunction or decree of any national, federal, state or local court or governmental or regulatory authority or arbitrator, domestic or foreign, applicable to any of its assets, properties or operations. This Section does not relate to Tax matters, intellectual property matters, employee benefits matters, labor matters, or environmental matters, which are separately addressed in Section 3.10, Section 3.13, Section 3.18, Section 3.22, and Section 3.23, respectively.

(b) The Company and each of its officers are in compliance in all material respects with (i) the applicable provisions of the Sarbanes-Oxley Act of 2002 and the related rules and regulations promulgated under such act or the Exchange Act (the “Sarbanes-Oxley Act”) and (ii) the applicable listing and corporate governance rules and regulations of the Nasdaq Global Select Market. Except as permitted by the Exchange Act, including, without limitation, Sections 13(k)(2) and (3), since the enactment of the Sarbanes-Oxley Act, neither the Company nor any of its Affiliates has made, arranged or modified (in any material way) personal loans to any executive officer or director of the Company.

(c) The management of the Company has (i) implemented (x) disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated Subsidiaries, is made known to the management of the Company by others within those entities and (y) a system of internal control over financial reporting sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, and (ii) disclosed, based on its most recent evaluation prior to the date hereof, to the Company’s auditors and the audit committee of the Company’s Board of Directors (A) any significant deficiencies in the design or operation of internal controls which could adversely affect the Company’s ability to record, process, summarize and report financial data and has identified for the Company’s auditors any material weaknesses in internal controls and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal controls. The Company has delivered to Parent’s general counsel prior to the date hereof a written summary of any such disclosure in clause (ii) of the immediately preceding sentence made by management to the Company’s auditors and audit committee since January 1, 2006, other than any such disclosures included in the Company SEC Reports.

**Section 3.16. Litigation .** Except as set forth on Schedule 3.16 or as would not have, individually or in the aggregate, a Company Material Adverse Effect, there are no claims, actions, suits, proceedings, subpoenas or, to the Knowledge of the Company, investigations pending or, to the Knowledge of the Company, threatened, before any Governmental Entity, or before any arbitrator of any nature, brought by or against any of the Company or its Subsidiaries or any of their officers or directors involving or relating to the Company or its Subsidiaries, the assets, properties or rights of any of the Company and its Subsidiaries or the transactions contemplated by this Agreement and the Amalgamation Agreement. There is no material judgment, decree, injunction, rule or order of any Governmental Entity or before any arbitrator of any nature outstanding, or to the Knowledge of the Company, threatened, against either of the Company or its Subsidiaries, except as set forth on Schedule 3.16 .

**Section 3.17. Contracts .**

(a) Schedule 3.17(a) sets forth a complete and correct list of all Contracts (other than those set forth in Section 3.17(c) (iii)) as of the date hereof that have not been filed or incorporated by reference in the Company SEC Reports.

(b) Except as set forth on Schedule 3.17(b) , each Contract is valid, binding and enforceable against the Company or its Subsidiaries and, to the Knowledge of the Company, against the other parties thereto in accordance with its terms, and in full force and effect subject to the rights of creditors generally and the availability of equitable remedies, except to the extent the failure to be in full force and effect would not have, individually or in the aggregate, a Company Material Adverse Effect. Except as set forth on Schedule 3.17(b) , each of the Company and its Subsidiaries has performed all obligations required to be performed by it to date under, and is not in default or delinquent in performance, status or any other respect (claimed or actual) in connection with, any Contract, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default except as would not have a Company Material Adverse Effect. To the Knowledge of the Company, no other party to any Contract is in default in respect thereof, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default except as would not have a Company Material Adverse Effect.

(c) A “ Contract ” means any written agreement, contract or commitment (provided, that in the case of Customer Contracts and Vendor Contracts, all such written agreements, contracts or commitments relating to such customer or vendor shall be deemed one Contract) to which either of the Company or any of its Subsidiaries is a party or by which it or any of its assets are bound constituting:

(i) a contract or agreement with one of the top 10 customers (each, a “ Customer ”) by revenue derived by the Company and its Subsidiaries (taken together), for the year ended December 31, 2010, with respect to each of North America, Latin America and Europe, respectively, pursuant to which the Company or any of its Subsidiaries has sold goods and/or services (the “ Customer Contracts ”);

- (ii) a contract or agreement with one of the top 10 vendors (each, a “Vendor”) that provide the Company or any of its Subsidiaries with telecommunications access services by dollar amount paid to such vendors by the Company and its Subsidiaries (taken together), for the year ended December 31, 2010, for each of North America, Latin America and Europe (the “Vendor Contracts”);
- (iii) a peering agreement of the Company and its Subsidiaries;
- (iv) a mortgage, indenture, security agreement, guaranty, pledge or other agreement or instrument relating to the borrowing of money or extension of credit (other than accounts receivable or accounts payable in the ordinary course of business and consistent with past practice) in an amount in excess of \$20,000,000;
- (v) a contract or agreement creating a capital lease obligation in excess of \$1,000,000;
- (vi) a joint venture, partnership or limited liability company agreement with third parties;
- (vii) a non-competition agreement or any other agreement or obligation (other than customary agency, sales representative and distribution agreements entered into in the ordinary course) which purports to limit in any material respect (i) the manner in which, or the localities in which, the business of the Company or its Subsidiaries may be conducted or (ii) the ability of either of the Company or its Subsidiaries to provide any type of service presently conducted by the Company or its Subsidiaries in each case, other than Contracts that expire or are terminable or cancellable without penalty within one year following the Closing Date;
- (viii) a Customer Contract that contains any exclusivity clause, most-favored-nations clause, benchmarking clause or marked-to-market pricing provision;
- (ix) an agreement limiting or restricting the ability of either of the Company or its Subsidiaries to make distributions or declare or pay dividends in respect of its capital stock or membership interests, as the case may be;
- (x) an agreement requiring capital expenditures in excess of \$1,000,000;
- (xi) a pending agreement or offer to acquire all or a substantial portion of the capital stock, business, property or assets of any other Person in each case that would be material to the Company; or

(xii) an agreement pursuant to which the Company or its Subsidiaries uses or has the right to use material network infrastructure, including fiber, conduit, space, power and other associated property necessary to operate a fiber optic network requiring payments by the Company in excess of \$5,000,000.

**Section 3.18. Employee Plans.**

(a) Schedule 3.18(a) contains a correct and complete list of each U.S. Company Benefit Plan.

(b) The Company has provided or made available to Parent or its counsel with respect to each and every U.S. Company Benefit Plan a true and complete copy of all plan documents, if any, including related trust agreements, funding arrangements, and insurance contracts and all amendments thereto; and, to the extent applicable, (i) the most recent determination letter, if any, received by the Company or any of its Subsidiaries from the IRS regarding the tax-qualified status of such Company Benefit Plan; (ii) the most recent financial statements for such Company Benefit Plan, if any; (iii) the most recent actuarial valuation report, if any; (iv) the current summary plan description and any summaries of material modifications; and (v) Form 5500 Annual Returns/Reports, together with all schedules thereto, for the most recent plan year.

(c) With respect to each Company Benefit Plan and each “employee benefit pension plan” within the meaning of Section 3(2) of ERISA sponsored, maintained or contributed to, or required to be contributed to by the Company or any current or former member of its “controlled group” (within the meaning of Section 414 of the Code or Section 4001 of ERISA) (each, an “ERISA Affiliate”), in each case that is a “single-employer plan” within the meaning of Section 3(41) of ERISA that is subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code: (i) the minimum funding standards (within the meaning of Sections 412 and 430 of the Code or Section 302 of ERISA) are satisfied, whether or not waived, and no application for a waiver of the minimum funding standard has been submitted to the IRS; (ii) no reportable event within the meaning of Section 4043(c) of ERISA for which the 30-day notice requirement has not been waived has occurred, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such reportable event; (iii) no liability (other than for premiums to the Pension Benefit Guaranty Corporation (the “PBGC”)) under Title IV of ERISA has been or is reasonably expected to be incurred by the Company or any of its ERISA Affiliates, and all premiums to the PBGC have been timely paid in full; (iv) the PBGC has not instituted proceedings to terminate any such plan, and, to the Knowledge of the Company, no condition exists that presents a risk that such proceedings will be instituted or which would constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any such plan; (v) no such plan is currently, or is reasonably expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); (vi) the fair market value of the assets and liabilities of such plan has been reported in accordance with GAAP by the Company on the most recent financial statements of the Company and (vii) neither the Company nor its Subsidiaries have engaged in a “substantial cessation of operations” within the meaning of Section 4062(e) of ERISA, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such event.

(d) No Company Benefit Plan is a “multiemployer plan” as defined in Section 3(37) of ERISA, and none of the Company or any ERISA Affiliate has incurred any withdrawal liability which remains unsatisfied, and to the Knowledge of the Company, no events have occurred and no circumstances exist that could reasonably be expected to result in any such liability to the Company or any of its Subsidiaries.

(e) Except as could not result in a material liability to the Company or its Subsidiaries, no event has occurred and no condition exists that would reasonably be expected to subject the Company (or any of its Subsidiaries) by reason of its affiliation with any ERISA Affiliate to any (i) Tax, penalty, fine or (ii) Lien (other than a Permitted Lien).

(f) With respect to each Company Benefit Plan that is intended to qualify under Section 401(a) of the Code, such plan, and its related trust, has received, has an application pending or remains within the remedial amendment period for obtaining, a determination letter from the IRS that it is so qualified (taking into account all applicable matters for which the IRS will presently issue letters under the Economic Growth and Tax Relief Reconciliation Act of 2001, the Pension Funding Equity Act of 2005 and the Pension Protection Act of 2006) and that its trust is exempt from Tax under Section 501(a) of the Code, and nothing has occurred with respect to the operation of any such plan which could reasonably be expected to cause the loss of such qualification or exemption or the imposition of any material liability, penalty or tax under ERISA or the Code.

(g) Except as set forth on Schedule 3.18(g), there are no pending or, to the Knowledge of the Company, threatened material actions, claims or lawsuits against or relating to any Company Benefit Plan or against any fiduciary of any Company Benefit Plan with respect to the operation of such plan (other than routine benefits claims).

(h) Each Company Benefit Plan has been established and administered in all material respects in accordance with its terms, and in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable laws, and all contributions (including all employer contributions and employee salary reduction contributions) required to have been made under any of the Company Benefit Plans to any funds or trusts established thereunder or in connection therewith have been made or have been accrued and reported on the Company’s financial statements.

(i) Except as set forth on Schedule 3.18(i), none of the Company Benefit Plans provide retiree health or life insurance benefits except as may be required by Section 4980B of the Code and Section 601 of ERISA or any other applicable law or at the expense of the participant or the participant’s beneficiary. There has been no material violation of the “continuation coverage requirement” of “group health plans” as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA with respect to any Company Benefit Plan to which such continuation coverage requirements apply.

(j) Except as set forth on Schedule 3.18(j), neither the execution and delivery of this Agreement or the Amalgamation Agreement nor the consummation of the transactions contemplated hereby or thereby will (either alone or in combination with another event) (i) result



in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former employee of the Company and its Subsidiaries or with respect to any Company Benefit Plan; (ii) increase any benefits otherwise payable under any Company Benefit Plan; or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits.

(k) Except as set forth on Schedule 3.18(k), neither the execution and delivery of this Agreement or the Amalgamation Agreement nor the consummation of the transactions contemplated hereby or thereby will (either alone or in combination with another event) result in the payment of any amount that would, individually or in combination with any other such payment, not be deductible as a result of Section 280G of the Code.

(l) Except as could not result in a material liability to the Company or its Subsidiaries, each “nonqualified deferred compensation plan” (as defined in Section 409A(d)(1) of the Code) of the Company has been (i) operated since January 1, 2005 in good faith compliance with Section 409A of the Code and all applicable rules and regulations, (ii) brought into documentary compliance with Section 409A of the Code effective as of December 31, 2008, in accordance with the Final Treasury Regulations promulgated under Section 409A of the Code, and (iii) operated since January 1, 2009, in compliance with Section 457A of the Code and all applicable rules, regulations, and guidance thereunder.

(m) Except as set forth on Schedule 3.18(m) or as could not result in a material liability to the Company or its Subsidiaries, all Company Benefit Plans subject to the laws of any jurisdiction outside of the United States (i) have been maintained in accordance with all applicable requirements, (ii) if they are intended to qualify for special tax treatment, meet all requirements for such treatment, and (iii) if they are intended to be funded and/or book-reserved, are fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions.

**Section 3.19. Insurance .** Except as set forth on Schedule 3.19, all surety bonds, fidelity bonds and all material policies of title, liability, fire, casualty, business interruption, workers’ compensation and other forms of insurance insuring each of the Company and its Subsidiaries and their material assets, properties and operations are in full force and effect. Except as would not have a Company Material Adverse Effect, none of the Company or its Subsidiaries is in default under any provisions of any such policy of insurance nor has any of the Company or its Subsidiaries received notice of cancellation of or cancelled any such insurance.

**Section 3.20. Affiliate Transactions .** Except as set forth in the Company SEC Reports filed prior to the date hereof or as set forth on Schedule 3.20, there are no transactions, agreements, arrangements or understandings between the Company or any of its Subsidiaries, on the one hand, and any director or executive officer of the Company or with STT Crossing Ltd., on the other hand, that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act other than ordinary course of business employment agreements and similar employee arrangements otherwise set forth on Schedule 3.18(a).

**Section 3.21. Vendors and Customers .**

(a) Schedule 3.21(a) sets forth a list of the vendors that are parties to the Vendor Contracts. Since December 31, 2010, no such vendor has expressed in writing to the Company or any of its Subsidiaries its intention to cancel or otherwise terminate, or materially reduce or modify, its relationship with the Company or any of its Subsidiaries.

(b) Schedule 3.21(b) sets forth a list of the customers that are party to the Customer Contracts. Since December 31, 2010, no customer under any such Customer Contract has expressed in writing to the Company or any of its Subsidiaries its intention to cancel or otherwise terminate, or materially reduce or adversely modify, its relationship with the Company or any of its Subsidiaries.

**Section 3.22. Labor Matters .**

(a) Except as set forth on Schedule 3.22(a), neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement, labor union contract applicable to its employees or similar agreement or work rules or practices with any labor union, works council, labor organization or employee association applicable to employees of the Company or any of its Subsidiaries nor does the Company have Knowledge of any activities or proceedings of any labor union, works council, labor organization or employee association to organize any such employees.

(b) There are no strikes or lockouts pending with respect to any employees of the Company or any of its Subsidiaries, there is no union organizing effort pending or threatened against the Company or any of its Subsidiaries, there is no unfair labor practice, labor dispute (other than routine individual grievances), or labor arbitration proceeding pending or, to the Knowledge of the Company, threatened, with respect to the employees of the Company or any of its Subsidiaries, and there is no slowdown or work stoppage in effect or, to the Knowledge of the Company, threatened with respect to the employees of the Company or any of its Subsidiaries, except, in each case, as would not have, or would not reasonably be expected to have, a Company Material Adverse Effect.

(c) Except as set forth on Schedule 3.22(c) or as would not have, or would not reasonably be expected to have, a Company Material Adverse Effect, each of the Company and its Subsidiaries are, and have been, in compliance in all respects with all applicable laws relating to employment and employment practices, the classification of employees, wages, overtime, hours, collective bargaining, unlawful discrimination, civil rights, safety and health, workers' compensation and terms and conditions of employment. Except as set forth on Schedule 3.22(c), there are no charges with respect to or relating to either of the Company or its Subsidiaries pending or, to the Knowledge of the Company, threatened before the Equal Employment Opportunity Commission or any national, federal, state or local agency, domestic or foreign, responsible for the prevention of unlawful employment practices. Except as set forth on Schedule 3.22(c), neither the Company nor any of its Subsidiaries has received any written notice from any national, federal, state or local agency, domestic or foreign, responsible for the enforcement of labor or employment laws of an intention to conduct an investigation of either of the Company or its Subsidiaries and no such investigation is in progress.

(d) Except as would not have, or would not reasonably be expected to have, a Company Material Adverse Effect, neither the Company nor any of its Subsidiaries has incurred any liability or obligations with respect to any “mass layoff” or “plant closing” as defined by, and pursuant to, the Worker Adjustment and Retraining Notification Act or any similar U.S. state or local or non-U.S. “plant closing” law (“WARN”) with respect to the current or former employees of the Company or its Subsidiaries.

(e) Except as set forth on Schedule 3.22(e) or as would not have, or would not reasonably be expected to have, a Company Material Adverse Effect, all independent contractors of the Company and its Subsidiaries (and any other independent contractor who previously rendered services for the Company or its Subsidiaries, at any time) have been, and currently are, properly classified and treated by the Company and its Subsidiaries, as applicable, as independent contractors and not as employees. Except as set forth on Schedule 3.22(e), all such independent contractors have in the past been, and continue to be, properly and appropriately treated as non-employees for all U.S. federal, state, and local and non-U.S. Tax purposes. Except as set forth on Schedule 3.22(e), the Company and its Subsidiaries have fully and accurately reported their independent contractors’ compensation on IRS Forms 1099 (or otherwise in accordance with applicable law) when required to do so, and the Company and its Subsidiaries do not have, nor have they ever had, any liability to provide benefits with respect to their independent contractors under the Company Benefit Plans or otherwise. At no time within the preceding two years has any independent contractor brought a claim against the Company or its Subsidiaries challenging his or her status as an independent contractor or made a claim for additional compensation or any benefits under any Company Benefit Plan or otherwise.

### **Section 3.23. Environmental Matters.**

(a) Except as would not have a Company Material Adverse Effect, each of the Company and its Subsidiaries is, and has been, in compliance in all material respects with all applicable laws, regulations, common law and other requirements of Governmental Entities relating to pollution, to the protection of the environment or to natural resources (“Environmental Laws”).

(b) To the Knowledge of the Company, the Company and its Subsidiaries have not received any notice of violation or potential liability under any Environmental Laws from any Person or any Governmental Entity inquiry, request for information, or demand letter under any Environmental Law relating to operations or properties of the Company or its Subsidiaries which would be reasonably expected to result in the Company or any of its Subsidiaries incurring material liability under Environmental Laws. None of the Company or its Subsidiaries is subject to any orders arising under Environmental Laws nor are there any administrative, civil or criminal actions, suits, proceedings or investigations pending or, to the Knowledge of the Company, threatened, against the Company or its Subsidiaries under any Environmental Law which would reasonably be expected to result in a Company Material Adverse Effect. Except as set forth on Schedule 3.23, none of the Company or its Subsidiaries has entered into any agreement pursuant to which the Company or its Subsidiaries has assumed or will assume any liability under Environmental Laws, including without limitation, any obligation for costs of remediation, of any other Person.

(c) Since January 1, 2010, to the Knowledge of the Company, there has been no release or threatened release of a hazardous substance, hazardous waste, contaminant, pollutant, toxic substance or petroleum and its fractions, the presence of which requires investigation or remediation under any applicable Environmental Law (“Hazardous Material”), on, at or beneath any of the Company Property or other properties currently or previously owned or operated by the Company or its Subsidiaries or any surface waters or groundwaters thereon or thereunder which requires any material disclosure, investigation, cleanup, remediation, monitoring, abatement, deed or use restriction by the Company, or which would be expected to give rise to any other material liability or damages to the Company or its Subsidiaries under any Environmental Laws.

(d) Except as would not have a Company Material Adverse Effect, none of the Company or its Subsidiaries has arranged for the disposal of any Hazardous Material, or transported any Hazardous Material, in a manner that has given, or reasonably would be expected to give rise to any liability for any damages or costs of remediation.

**Section 3.24. No Brokers.** No broker, finder or similar intermediary has acted for or on behalf of, or is entitled to any broker’s, finder’s or similar fee or other commission from the Company or its Subsidiaries in connection with this Agreement or the Amalgamation Agreement or the transactions contemplated hereby or thereby other than Goldman, Sachs & Co. The Company has heretofore furnished to Parent a complete and correct copy of all agreements between the Company and Goldman, Sachs & Co. pursuant to which Goldman, Sachs & Co. would be entitled to any payment relating to the transactions contemplated hereby.

**Section 3.25. Network Operations.**

(a) Except as set forth on Schedule 3.25(a), the network of the Company and its Subsidiaries, taken as a whole, is in good working condition and is without any material defects for purposes of operating the business of the Company and its Subsidiaries as operated by the Company and its Subsidiaries.

(b) The Company and its Subsidiaries have good and valid title to approximately 2,908 route-miles and approximately 172,240 fiber-miles of fiber in each of the metropolitan areas set forth on Schedule 3.25(b), and have indefeasible rights to use (or lease) approximately 1,372 route-miles and approximately 69,522 fiber-miles of fiber in each of the metropolitan areas set forth on Schedule 3.25(b).

(c) The Company and its Subsidiaries have good and valid title to approximately 59,362 route-miles and approximately 1,328,712 fiber-miles of fiber between the city pairs (and/or submarine IRUs) set forth on Schedule 3.25(c), and have indefeasible rights to use approximately 23,416 route-miles and approximately 461,872 fiber-miles of fiber between the city pairs (and/or submarine IRUs) set forth on Schedule 3.25(c) (which Schedule includes the names of the respective fiber vendors).

(d) The Company and its Subsidiaries have good and valid title to or otherwise have the right to use all items and equipment necessary to operate and maintain the

network of the Company and its Subsidiaries and such items and equipment are in good operating condition and repair, free from all material defects, subject only to normal wear and tear.

**Section 3.26. State Takeover Statutes.** No “fair price”, “moratorium”, “control share acquisition” or other similar anti-takeover statute or regulation or any anti-takeover provision in the Company’s Organizational Documents is, or at the Effective Time will be, applicable to the Company, the Company Common Shares, the Amalgamation or the other transactions contemplated by this Agreement, the Amalgamation Agreement or the Voting Agreement.

**Section 3.27. Opinion of Financial Advisor.** The Board of Directors of the Company has received the opinion of Goldman, Sachs & Co., dated as of the date hereof, to the effect that, as of such date, and subject to the limitations, qualifications and assumptions set forth therein, the Amalgamation Consideration to be received by the holders of the Company Common Shares pursuant to the Amalgamation is fair from a financial point of view to the holders of such Company Common Shares. A written copy of such opinion has been made available to Parent.

**Section 3.28. Board Approval.** The Board of Directors of the Company, at a meeting duly called and held, by unanimous vote (i) determined that the Amalgamation Consideration and the Exchange Ratio constitute value that is greater than or equal to fair value for each Company Common Share and share of Convertible Preferred Stock in accordance with the Companies Act and this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation, are advisable and fair to, and in the best interests of, the Company, (ii) approved this Agreement, the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation, and (iii) resolved, subject to Section 7.4, to recommend that the holders of the Company Common Shares and shares of Convertible Preferred Stock approve and adopt this Agreement, the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation and directed that such matters be submitted for consideration by Company shareholders at the Company Stockholders Meeting. The Company hereby agrees to the inclusion in the joint proxy statement/prospectus relating to the matters to be submitted to the holders of Company Common Shares and shares of Convertible Preferred Stock at the Company shareholders meeting to approve and adopt this Agreement, the Amalgamation Agreement and the Amalgamation (the “Company Stockholders Meeting”) and to the holders of the shares of Parent Common Stock at the Parent stockholders meeting (the “Parent Stockholders Meeting”) to approve the issuance of shares of Parent Common Stock in the Amalgamation for purposes of the rules of the Nasdaq Global Select Market (the “Parent Share Issuance”) and to approve and adopt the Parent Charter Amendment (such joint proxy statement/prospectus, and any amendments or supplements thereto, the “Joint Proxy Statement/Prospectus”), of the recommendation of the Board of Directors of the Company described in this Section 3.28 (subject to the right of the Board of Directors of the Company to withdraw, amend or modify such recommendation in accordance with Section 7.4).

**Section 3.29. Vote Required.** The (i) affirmative vote of a majority of the votes cast at a meeting of the shareholders of the Company at which a quorum is present in accordance with the bye-laws of the Company, with the holders of Company Common Shares and shares of

Convertible Preferred Stock voting together as a single class (on an as-converted to Company Common Shares basis) and (ii) the affirmative consent or vote of the holder(s) of the issued and outstanding shares of Convertible Preferred Stock at a meeting of the holders of the shares of Convertible Preferred Stock of the Company at which a quorum is present in accordance with the bye-laws of the Company ((i) and (ii) together, the “ Required Company Vote ”) is the only vote or consent of the holders of any class or series of the Company’s share capital necessary to approve and adopt this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation.

**Section 3.30. Illegal or Unauthorized Payments; Political Contributions; Exports .**

Except as set forth on Schedule 3.30 , since January 1, 2006:

(a) None of the Company, any Subsidiary or, to the Knowledge of the Company, any directors or officers, agents or employees of the Company or any Subsidiary, has (i) provided remuneration or received any remuneration in violation of 42 U.S.C. 1320a-7b (b), the “Federal anti-kickback statute” or any similar law, or (ii) participated in providing financial or reimbursement information to customers that was reported to government reimbursement agencies and that was untrue or misleading in violation of 31 U.S.C. 3729, the “Federal False Claims Act” or any similar law.

(b) The Company and its Subsidiaries and, to the Knowledge of the Company, any and all distributors of the Company’s and its Subsidiaries’ products and services have (i) complied with all applicable laws or regulations related to the sale, marketing, promotion or export of goods promulgated or enforced by the Office of Foreign Assets Control in the United States Department of the Treasury, the United States Department of Commerce or any other department or agency of the U.S. federal government, including, without limitation, the Arms Export Control Act, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Export Administration Act, the 1930 Tariff Act, the Export Administration Regulations, the International Traffic in Arms Regulations, and the United States Customs Regulations (the “ Trade Laws ”) and (ii) made reasonable efforts to ensure that no products have been sold directly or indirectly to any entity where such sales are, or were at any time during the previous two years, prohibited by these Trade Laws or other regulations, including, without limitation, in the case of each of clause (i) and (ii) with respect to any sales made in Iran or to any Person in Iran.

(c) Neither the Company nor any of its Subsidiaries has received notice that it has been the subject of any investigation, complaint or claim of any violation of any Trade Law by any Governmental Entity.

(d) The Company and each of its Subsidiaries has established and continues to maintain reasonable internal controls and procedures intended to ensure compliance with the Trade Laws, including controls and procedures designed to ensure that the Company’s and its Subsidiaries’ agents, representatives, joint venture partners, and other third parties are in compliance with Trade Laws.

**Section 3.31.     No Improper Payments to Foreign Officials .**

Except as set forth on Schedule 3.31 , since January 1, 2006:

(a)        None of the Company, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of the Company or its Subsidiaries, or any other business entity or enterprise with which the Company or any of its Subsidiaries is or has been affiliated or associated, has, directly or indirectly, taken any action which would cause the Company or any of its Subsidiaries to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), or any similar anticorruption or anti-bribery law applicable to the Company or any of its Subsidiaries (the “Anticorruption Laws”).

(b)        None of the Company, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of the Company or its Subsidiaries, or any other business entity or enterprise with which the Company or any of its Subsidiaries is or has been affiliated or associated, has on behalf of the Company or any of its Subsidiaries taken any act corruptly in furtherance of an offer, payment, promise to pay, authorization, or ratification of the payment, directly or indirectly, of any gift, money or anything of value to a “foreign official” (as defined in the FCPA) to secure any improper advantage or to obtain or retain business for the Company or any of its Subsidiaries.

(c)        None of the Company, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of the Company or its Subsidiaries, or any other business entity or enterprise with which the Company or any of its Subsidiaries is or has been affiliated or associated, has, directly or indirectly, taken any action that would cause Parent or Amalgamation Sub to be in violation of the FCPA or the Anticorruption Laws as of the Effective Time.

(d)        None of the officers, directors, employees, agents or other representatives of the Company or any of its Subsidiaries are or were “foreign officials” (as defined in the FCPA) who have acted or are in a position to act in any official capacity with respect to the Company or any of its Subsidiaries while they were an officer, director, or employee, agent or other representative of the Company or such Subsidiary, as applicable.

(e)        The Company and each of its Subsidiaries has established and continues to maintain reasonable internal controls and procedures intended to ensure compliance with the FCPA and the Anticorruption Laws, including controls and procedures designed to ensure that the Company’s and its Subsidiaries’ agents, representatives, joint venture partners, and other third parties do not make payments in violation of the FCPA and the Anticorruption Laws.

(f)        The U.S. government has not notified the Company or any of its Subsidiaries of any actual or alleged violation or breach of the FCPA or the Anticorruption Laws. Other than the U.S. government, no Person has, to the Knowledge of the Company, notified the Company or any of its Subsidiaries of any actual or alleged violation or breach of the FCPA or the Anticorruption Laws. To the Knowledge of the Company, none of the Company or any of its Subsidiaries is under investigation by any government for alleged violation (s) of the FCPA or the Anticorruption Laws.

(g) Other than routine compliance and audit activities, none of the Company and its Subsidiaries has undergone or is undergoing any audit, review, inspection, investigation, survey or examination of records relating to the Company's or any of its Subsidiaries' compliance with the FCPA or the Anticorruption Laws, nor, to the Knowledge of the Company, is there any basis for any such audit, review, inspection, investigation, survey or examination of records other than routine compliance and audit activities.

**Section 3.32. No Other Representations or Warranties.** Except for the representations and warranties contained in this Article III, neither the Company nor any other Person makes any other express or implied representation or warranty on behalf of the Company with respect to the Company and its Subsidiaries.

## ARTICLE IV.

### REPRESENTATIONS AND WARRANTIES OF PARENT AND AMALGAMATION SUB

Except as otherwise expressly disclosed or identified in the Parent SEC Reports filed or furnished prior to the date hereof (other than (i) any information that is contained solely in the "Risk Factors" section of such Parent SEC Reports and (ii) any forward-looking statements, or other statements that are similarly predictive or forward-looking in nature, contained in such Parent SEC Reports) or as set forth in the Parent Disclosure Schedule, Parent and Amalgamation Sub hereby jointly and severally represent and warrant to the Company as follows:

**Section 4.1. Organization.** Each of Parent, Amalgamation Sub and Parent's other Subsidiaries is duly organized, validly existing and in good standing or similar concept under the laws of the jurisdiction of its organization, and has all requisite corporate, limited liability company or limited partnership power (as the case may be) to own its properties and assets and to conduct its businesses as now conducted except where the failure to be so qualified or in good standing in such jurisdiction would not, individually or in the aggregate, have a Parent Material Adverse Effect. Copies of the Parent Organizational Documents and the organizational documents of Amalgamation Sub and each material Subsidiary of Parent, with all amendments thereto to the date hereof, have been made available to the Company or its representatives, and such copies are accurate and complete as of the date hereof.

**Section 4.2. Qualification to Do Business.** Each of Parent, Amalgamation Sub and Parent's other Subsidiaries is duly qualified to do business as a foreign corporation, limited liability company or partnership (as the case may be) and is in good standing or similar concept in every jurisdiction in which the character of the properties owned or leased by it or the nature of the business conducted by it makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Parent Material Adverse Effect.

**Section 4.3. No Conflict or Violation.** Except as set forth on Schedule 4.3, the execution, delivery and, subject to the receipt of the Required Parent Vote, performance by



Parent and Amalgamation Sub of this Agreement and the Amalgamation Agreement do not and will not (i) violate or conflict with any provision of any Parent Organizational Document or any of the organizational documents of Amalgamation Sub or any of Parent's other Subsidiaries, (ii) subject to the receipt of any consents set forth in Section 4.4, violate any provision of law, or any order, judgment or decree of any Governmental Entity, (iii) result in the creation or imposition of any Lien (other than any Permitted Lien) upon any of the assets, properties or rights of either of Parent, Amalgamation Sub or any of Parent's other Subsidiaries or result in or give to others any rights of cancellation, modification, amendment, acceleration, revocation or suspension of any of the Parent Licenses and Permits or (iv) violate or result in a breach of or constitute (with due notice or lapse of time or both) a default under any contract, agreement or instrument to which Parent, Amalgamation Sub or any of Parent's Subsidiaries is a party or by which it is bound or to which any of its properties or assets is subject except in each case with respect to clauses (iii) and (iv), for any such violations, breaches or defaults that would not, individually or in the aggregate, have a Parent Material Adverse Effect.

**Section 4.4. Consents and Approvals.** No consent, waiver, authorization or approval of any Governmental Entity, and no declaration or notice to or filing or registration with any Governmental Entity, is necessary or required in connection with the execution and delivery of this Agreement or the Amalgamation Agreement by Parent or Amalgamation Sub or the performance by Parent or Amalgamation Sub of their obligations hereunder or thereunder, except for (i) the filing of the Memorandum of Association and the Amalgamation Application with the Registrar and appropriate documents with the relevant authorities of the other jurisdictions in which Parent, the Company or any Subsidiary is qualified to do business; (ii) the filing of a Notification and Report Form under the HSR Act and other filings under applicable antitrust, competition or similar laws of other jurisdictions; (iii) the filing of applications jointly by the parties with the FCC, U.S. state public utility commissions and relevant telecommunications regulatory authorities in other jurisdictions for approval of the transfer of control of the Company, and receipt of such approvals; (iv) a joint filing with and clearance by CFIUS pursuant to Section 721 of the Defense Production Act; (v) applicable requirements of the Securities Act and of the Exchange Act; (vi) the consents, waivers, authorizations or approvals of any Governmental Entity set forth on Schedule 4.4 and (vii) such consents, waivers, authorizations, approvals, declarations, notices, filings or registrations, which if not obtained or made would not have, a Parent Material Adverse Effect or prevent or materially delay the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement.

**Section 4.5. Authorization and Validity of Agreement.** Parent and Amalgamation Sub have all requisite corporate power and authority to execute, deliver and, subject to receipt of the Required Parent Vote, perform their respective obligations under this Agreement and the Amalgamation Agreement and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Amalgamation Agreement by Parent and Amalgamation Sub and the performance by Parent and Amalgamation Sub of their respective obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly authorized by the Board of Directors of each of Parent and Amalgamation Sub and all other necessary corporate action on the part of Parent and Amalgamation Sub, other than the Required Parent Vote, and no other

corporate proceedings on the part of either Parent or Amalgamation Sub are necessary to authorize this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby. This Agreement has been, and the Amalgamation Agreement will be, duly and validly executed and delivered by Parent or Amalgamation Sub and, assuming due execution and delivery by the Company, shall constitute a legal, valid and binding obligation of each of Parent and Amalgamation Sub, enforceable against each of Parent and Amalgamation Sub in accordance with its terms, subject to (i) the effect of bankruptcy, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law).

**Section 4.6.      Capitalization and Related Matters .**

(a)      As of the date hereof, the authorized capital stock of Parent consists of 2,900,000,000 authorized shares of Parent Common Stock and 10,000,000 authorized shares of preferred stock, par value \$0.01 per share (“Parent Preferred Stock”). As of April 7, 2011, 1,704,035,870 shares of Parent Common Stock were issued and outstanding and no shares of Parent Preferred Stock were issued and outstanding.

(b)      The outstanding shares of Parent Common Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and (ii) were issued in compliance with all applicable U.S. federal and state securities laws and any non-U.S. securities laws. With respect to the Parent Options, (i) the per share exercise price of each Parent Option was not less than the fair market value of a share of Parent Common Stock on the applicable date of grant, as determined in accordance with the terms of the applicable Parent Benefit Plan and, to the extent applicable, sections 409A and 422 of the Code, (ii) each such grant was properly accounted for in all material respects in accordance with GAAP in the financial statements and no change is expected in respect of any prior financial statement relating to expenses for stock compensation, and (iii) to the Knowledge of Parent, there is no pending audit, investigation or inquiry by any Governmental Entity or by Parent with respect to Parent's stock options granting practices or other equity compensation practices. Except as set forth above in Section 4.6 (a), pursuant to the Rights Agreement or on Schedule 4.6(b), no shares of capital stock of Parent are outstanding and Parent does not have outstanding any securities convertible into or exchangeable for any shares of capital stock, including Parent Options, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or known claims of any other character relating to the issuance of, any capital stock, or any stock or securities convertible into or exchangeable for any capital stock; and Parent is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any shares of capital stock. Except as set forth above in Section 4.6(a), Parent does not have outstanding any bonds, debentures, notes or other obligations the holders of which have the right to vote (or are convertible into or exercisable for securities having the right to vote) with the stockholders of Parent on any matter.

(c)      Except for the Rights Agreement, Parent has no rights plan, “poison-pill” or other similar agreement or arrangement or any anti-takeover provision in the Parent

Organizational Documents that is, or at the Effective Time shall be, applicable to Parent, the Parent Common Stock, the Amalgamation or the other transactions contemplated by this Agreement and the Amalgamation Agreement.

(d) All of the outstanding shares of capital stock, or membership interests or other ownership interests of, Amalgamation Sub and each other Subsidiary of Parent, as applicable, are validly issued, fully paid and nonassessable and are owned of record and beneficially by Parent, directly or indirectly. Parent has, as of the date hereof and shall have on the Closing Date, valid and marketable title to all of the shares of capital stock of, or membership interests or other ownership interests in, Amalgamation Sub and each other Subsidiary of Parent, free and clear of any Liens other than Permitted Liens. Such outstanding shares of capital stock of, or membership interests or other ownership interests in, Amalgamation Sub and each other Subsidiary of Parent, as applicable, are the sole outstanding securities of such Subsidiaries; the Subsidiaries of Parent do not have outstanding any securities convertible into or exchangeable for any capital stock of, or membership interests or other ownership interests in, such Subsidiaries, any rights to subscribe for or to purchase or any options for the purchase of, or any agreements providing for the issuance (contingent or otherwise) of, or any calls, commitments or claims of any other character relating to the issuance of, any capital stock of, or membership interests or other ownership interests in, such Subsidiaries, or any stock or securities convertible into or exchangeable for any capital stock of, or membership interests or other ownership interests in, such Subsidiaries; and neither Parent or any of its Subsidiaries are subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire, or to register under the Securities Act, any capital stock of, or membership interests or other ownership interests in, any Subsidiary of Parent.

**Section 4.7. Subsidiaries and Equity Investments.** Except as set forth on Schedule 4.7, Parent, Amalgamation Sub and Parent's other Subsidiaries do not directly or indirectly own, or hold any rights to acquire, any material capital stock or any other material securities, interests or investments in any other Person other than investments that constitute cash or cash equivalents. Parent, Amalgamation Sub and Parent's other Subsidiaries do not directly or indirectly own, or hold any rights to acquire, in any material amounts any cash equivalents consisting of auction-rate securities. There are no outstanding stock options, restricted stock units, restricted stock, stock appreciation rights, "phantom" stock rights, performance units, or other compensatory rights or awards (in each case, issued by Parent or any of its Subsidiaries) that are convertible into or exercisable for any capital stock of, or membership interests or other ownership interests in, any Subsidiary of Parent, on a deferred basis or otherwise or other rights that are linked to, or based upon, the value of any capital stock of, or membership interests or other ownership interests in, any Subsidiary of Parent.

**Section 4.8. SEC Filings.**

(a) Parent and its Subsidiaries have filed each report and definitive proxy statement (together with all amendments thereof and supplements thereto) required to be filed by Parent or any of its Subsidiaries pursuant to the Exchange Act with the SEC since January 1, 2009 (as such documents have since the time of their filing been amended or supplemented, the "Parent SEC Reports"). As of their respective dates, after giving effect to any amendments or

supplements thereto filed prior to the date hereof, the Parent SEC Reports (i) complied as to form in all material respects with the requirements of the Exchange Act, and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(b) The audited consolidated financial statements and unaudited interim consolidated financial statements (including, in each case, the notes, if any, thereto) included in the Parent SEC Reports complied as to form in all material respects with the published rules and regulations of the SEC with respect thereto, were prepared in accordance with GAAP applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto and except with respect to unaudited statements as permitted by Form 10-Q of the SEC) and fairly present (subject, in the case of the unaudited interim financial statements included therein, to normal year-end adjustments and the absence of complete footnotes) in all material respects the consolidated financial position of Parent and its consolidated Subsidiaries as of the respective dates thereof and the consolidated results of their operations and cash flows for the respective periods then ended.

**Section 4.9. Absence of Certain Changes or Events .**

(a) Since December 31, 2010 through the date hereof, there has not been:

(i) any Parent Material Adverse Effect;

(ii) any material loss, damage, destruction or other casualty to the assets or properties of either of Parent or any of its Subsidiaries (other than any for which insurance awards have been received or guaranteed);

(iii) any change in any method of accounting or accounting practice of either of Parent or any of its Subsidiaries except for any such change required by reason of a concurrent change in GAAP; or

(iv) except as set forth on Schedule 4.9(a), any loss of the employment, services or benefits of the chief executive officer of Parent and members of Parent's senior management who report directly to such chief executive officer.

(b) Except as set forth on Schedule 4.9(b), since December 31, 2010 through the date hereof, each of Parent and each of its Subsidiaries has operated in the ordinary course of business and consistent with past practice and has not:

(i) lent money to any Person (other than Wholly Owned Subsidiaries) or incurred or guaranteed any Indebtedness for borrowed money in excess of \$1,000,000 in the aggregate, or entered into any capital lease obligation, other than among Wholly Owned Subsidiaries;

(ii) failed to discharge or satisfy any material Lien or pay or satisfy any obligation or liability or accounts payable (whether absolute, accrued,

contingent or otherwise) in excess of \$2,000,000, other than Permitted Liens and obligations and liabilities being contested in good faith and for which adequate reserves have been provided in accordance with GAAP;

(iii) sold or transferred any of its material assets or cancelled any material debts or claims or waived any material rights in excess of \$2,000,000;

(iv) in the case of Parent and any Subsidiary that is not a Wholly Owned Subsidiary, declared, paid, or set aside for payment any dividend or other distribution in respect of shares of its capital stock, membership interests or other securities, or redeemed, purchased or otherwise acquired, directly or indirectly, any shares of its capital stock, membership interests or other securities, or agreed to do so; or

(v) entered into any agreement or made any commitment to do any of the foregoing.

**Section 4.10. Tax Matters.** Except as set forth on Schedule 4.10 or as would not, individually or in the aggregate, have a Parent Material Adverse Effect:

(a) (i) Parent and each of its Subsidiaries have filed when due all Tax Returns required by applicable law to be filed with respect to Parent and each of its Subsidiaries; (ii) all such Tax Returns were true, correct and complete in all respects as of the time of such filing; (iii) all Taxes owed by Parent and each of its Subsidiaries, if required to have been paid, have been paid (except for Taxes which are being contested in good faith); and (iv) as of the date of the latest financial statements of Parent, any liability of Parent or any of its Subsidiaries for accrued Taxes not yet due and payable, or which are being contested in good faith, has been provided for on the financial statements of Parent in accordance with GAAP;

(b) there is no action, suit, proceeding, investigation or audit now pending with respect to Parent or any of its Subsidiaries in respect of any Tax, nor has any claim for additional Tax been asserted in writing by any taxing authority;

(c) since January 1, 2005, no claim has been made in writing by any taxing authority in a jurisdiction where Parent or any of its Subsidiaries has not filed a Tax Return that it is or may be subject to Tax by such jurisdiction;

(d) (i) there is no outstanding request for any extension of time for Parent or any of its Subsidiaries to pay any Taxes or file any Tax Returns, other than any such request made in the ordinary course of business; (ii) there has been no waiver or extension of any applicable statute of limitations for the assessment or collection of any Taxes of Parent or any of its Subsidiaries that is currently in force; and (iii) neither Parent nor any of its Subsidiaries is a party to or bound by any agreement (other than any customary commercial contract not primarily related to Taxes) providing for the payment of Taxes, payment for Tax losses, entitlements to refunds or similar Tax matters;

(e) Parent and each of its Subsidiaries have withheld and paid all Taxes required to be withheld in connection with any amounts paid or owing to any employee, creditor, independent contractor or other third party;

(f) within the last two years, neither Parent nor any of its Subsidiaries has distributed stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 or Section 361 of the Code;

(g) there is no Lien, other than a Permitted Lien, on any of the assets or properties of Parent and its Subsidiaries that arose in connection with any failure or alleged failure to pay any Tax;

(h) neither Parent nor any of its Subsidiaries has any liability for the Taxes of any Person (other than any of Parent and its Subsidiaries) under Treasury Regulations § 1.1502-6 (or any similar provision of U.S. state or local or non-U.S. law), as a transferee or successor, by contract, or otherwise;

(i) Parent and its Subsidiaries have not entered into, or permitted to be entered into, any closing or other agreement or settlement with respect to Taxes affecting or relating to Parent and its Subsidiaries;

(j) neither Parent nor any of its Subsidiaries, including Amalgamation Sub, has taken or agreed to take any action, or is aware of any fact or circumstance, that would prevent the Amalgamation from qualifying as a reorganization within the meaning of Section 368 (a) of the Code; and

(k) as of December 31, 2010, the consolidated federal net operating losses of Parent and its Subsidiaries (i) were \$10.9 billion and (ii) were subject to a Section 382 limitation under Section 382 of the Code of as described on Schedule 4.10(k). To the Knowledge of Parent, the Amalgamation will not, disregarding any transfer of Parent securities following the date of this Agreement, result in an ownership change of Parent pursuant to Section 382(g) of the Code.

The representations and warranties set forth in this Section 4.10, Section 4.18 and Section 4.21(e) are the sole representations and warranties of Parent as to Tax matters.

**Section 4.11. Absence of Undisclosed Liabilities.**

(a) Except as set forth on Schedule 4.11(a), there are no liabilities or obligations of Parent or any Subsidiary thereof of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than (A) liabilities or obligations disclosed, reflected or reserved against and provided for in the consolidated balance sheet of Parent as of December 31, 2010 included in the Parent SEC Reports filed prior to the date hereof or referred to in the notes thereto, (B) liabilities or obligations incurred in the ordinary course of business consistent with past practice since December 31, 2010, (C) liabilities or obligations that would not, individually or in the aggregate, have a Parent Material Adverse Effect, (D) liabilities or obligations incurred pursuant to contracts entered into after the date

hereof not in violation of this Agreement, or (E) liabilities or obligations incurred as contemplated or permitted by, or pursuant to, this Agreement or incurred with the consent of the Company.

(b) Except as shown on Schedule 4.11(b), neither of Parent or any of its Subsidiaries is directly or indirectly liable upon or with respect to (by discount, repurchase agreements or otherwise), or obliged in any other way to provide funds in respect of, or to guarantee or assume, any material debt, obligation or dividend of any Person (other than Wholly Owned Subsidiaries of Parent), except endorsements in the ordinary course of business in connection with the deposit, in banks or other financial institutions, of items for collection.

#### **Section 4.12. Parent Property .**

(a) Schedule 4.12(a) contains a true and complete list of all material real property owned by Parent and its Subsidiaries (the “Parent Owned Real Property”) as of the date hereof. Parent and its Subsidiaries have good and valid title to all of the Parent Owned Real Property free and clear of Liens other than Permitted Liens.

(b) Schedule 4.12(b)(i) sets forth a list of all leases, site leases, subleases and occupancy agreements, together with all material amendments thereto, in which either of Parent or its Subsidiaries has a leasehold interest, license or similar occupancy rights, whether as lessor or lessee, and which involve payments by Parent or its Subsidiaries in excess of \$500,000 per year (each, a “Parent Lease” and collectively, the “Parent Leases”; the property covered by Parent Leases under which either of Parent or its Subsidiaries is a lessee is referred to herein as the “Parent Leased Real Property”; the Parent Leased Real Property, together with the Parent Owned Real Property, collectively being the “Parent Property”). Except as set forth on Schedule 4.12(b)(ii), the transactions contemplated by this Agreement and the Amalgamation Agreement do not require the consent or approval of the other party to the Parent Leases, except for such consents or approvals, which, if not obtained, would not, individually or in the aggregate, have a Parent Material Adverse Effect.

(c) Since December 31, 2010, no Parent Lease has been modified or amended in writing in any way materially adverse to the business of Parent and its Subsidiaries except as set forth on Schedule 4.12(c) and no party to any Parent Lease has given either of Parent or its Subsidiaries written notice of or, to the Knowledge of Parent, made a claim with respect to any breach or default, except for such defaults or breaches that, individually or in the aggregate, would not have a Parent Material Adverse Effect.

(d) Except as set forth on Schedule 4.12(d), and other than with respect to IRUs, co-location, cross-connection, interconnection, entrance facilities or other rights incidental to the provision of services established in the ordinary course of business, none of the material Parent Owned Real Property is subject to any option or other agreement granting to any Person or entity any right to obtain title to all or any portion of such property.

#### **Section 4.13. Intellectual Property .**

(a) Except as set forth on Schedule 4.13 or as would not, individually or in the aggregate, have a Parent Material Adverse Effect, (i) Parent and its Subsidiaries own all right, title

and interest in and to, or have valid and enforceable licenses to use, all the Parent Intellectual Property; (ii) to the Knowledge of Parent, no third party is infringing any Parent Owned Intellectual Property; (iii) to the Knowledge of Parent, Parent and its Subsidiaries are not infringing, misappropriating or violating any Intellectual Property right of any third party; and (iv) there is no claim, suit, action or proceeding pending or, to the Knowledge of Parent, threatened against Parent or its Subsidiaries: (a) alleging any such violation, misappropriation or infringement of a third party's Intellectual Property rights; or (b) challenging Parent's or its Subsidiaries' ownership or use of, or the validity or enforceability of, any Parent Owned Intellectual Property.

(b) Schedule 4.13(b)(i) sets forth a true and complete list of all material issued Patents, registered trademarks and service marks, registered copyrights, and applications for any of the foregoing, in each case issued by, filed with, or recorded by, any Governmental Entity and constituting Parent Owned Intellectual Property (" Parent Registered Intellectual Property ") and the owner of record, date of application, registration or issuance, and relevant jurisdiction as to each. All Parent Registered Intellectual Property is owned by Parent and/or its Subsidiaries, free and clear of all Liens other than Permitted Liens.

(c) Parent and its Subsidiaries have in place commercially reasonable measures to protect and preserve the confidentiality of their material trade secrets and other material confidential information.

#### **Section 4.14. Licenses and Permits .**

(a) Except as set forth on Schedule 4.14(a) , Parent and its Subsidiaries own or possess all right, title and interest in and to each of their respective material licenses, permits, franchises, registrations, authorizations and approvals issued or granted to any of Parent or its Subsidiaries by any Governmental Entity as of the date hereof (the " Parent Licenses and Permits "). Parent has taken all necessary action to maintain such Parent Licenses and Permits. Each Parent License and Permit has been duly obtained, is valid and in full force and effect, and is not subject to any pending or, to the Knowledge of Parent, threatened administrative or judicial proceeding to revoke, cancel, suspend or declare such Parent License and Permit invalid in any respect, except, in each case, as would not, individually or in the aggregate, have a Parent Material Adverse Effect. The Parent Licenses and Permits are sufficient and adequate in all material respects to permit the continued lawful conduct of the business of Parent and its Subsidiaries as presently conducted, and none of the operations of Parent or its Subsidiaries is being conducted in a manner that violates in any material respects any of the terms or conditions under which any Parent License and Permit was granted.

(b) The operations of Parent and its Subsidiaries are in compliance in all material respects with the terms and conditions of the Communications Act, applicable U.S. state or non-U.S. law and the published rules, regulations, and policies promulgated by any Governmental Entity, and neither Parent nor its Subsidiaries have done anything or failed to do anything which reasonably could be expected to cause the loss of any of the material Parent Licenses and Permits.



(c) Other than those listed on Schedule 4.14(c), no petition, action, investigation, notice of violation or apparent liability, notice of forfeiture, order to show cause, complaint, or proceeding seeking to revoke, reconsider the grant of, cancel, suspend, or modify any of the material Parent Licenses and Permits is pending or, to the Knowledge of Parent, threatened before any Governmental Entity. No notices have been received by and, no claims have been filed against, Parent or its Subsidiaries alleging a failure to hold any material requisite permits, regulatory approvals, licenses or other authorizations.

**Section 4.15. Compliance with Law .**

(a) Except as set forth on Schedule 4.15, the operations of the business of Parent and its Subsidiaries have been conducted in accordance in all material respects with all applicable laws, regulations, orders and other requirements of all Governmental Entities having jurisdiction over such entity and its assets, properties and operations. Except as set forth on Schedule 4.15, since January 1, 2009, none of Parent or its Subsidiaries has received notice of any material violation (or any investigation with respect thereto) of any such law, regulation, order or other legal requirement, and none of Parent or its Subsidiaries is in default with respect to any order, writ, judgment, award, injunction or decree of any national, federal, state or local court or governmental or regulatory authority or arbitrator, domestic or foreign, applicable to any of its assets, properties or operations. This Section does not relate to Tax matters, intellectual property matters, employee benefits matters, labor matters, or environmental matters, which are separately addressed in Section 4.10, Section 4.13, Section 4.18, Section 4.21, and Section 4.22, respectively.

(b) Parent and each of its officers are in compliance in all material respects with (i) the applicable provisions of the Sarbanes-Oxley Act and (ii) the applicable listing and corporate governance rules and regulations of the Nasdaq Global Select Market. Except as permitted by the Exchange Act, including, without limitation, Sections 13(k)(2) and (3), since the enactment of the Sarbanes-Oxley Act, neither Parent nor any of its Affiliates has made, arranged or modified (in any material way) personal loans to any executive officer or director of Parent.

(c) The management of Parent has (i) implemented (x) disclosure controls and procedures to ensure that material information relating to Parent, including its consolidated Subsidiaries, is made known to the management of Parent by others within those entities and (y) a system of internal control over financial reporting sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, and (ii) disclosed, based on its most recent evaluation prior to the date hereof, to Parent's auditors and the audit committee of Parent's Board of Directors (A) any significant deficiencies in the design or operation of internal controls which could adversely affect Parent's ability to record, process, summarize and report financial data and has identified for Parent's auditors any material weaknesses in internal controls and (B) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal controls. Parent has delivered to the Company's general counsel prior to the date hereof a written summary of any such disclosure in clause (ii) of the immediately preceding sentence made by management to Parent's auditors and audit committee since January 1, 2006, other than any such disclosures included in the Parent SEC Reports.

**Section 4.16. Litigation.** Except as set forth on Schedule 4.16 or as would not have, individually or in the aggregate, a Parent Material Adverse Effect, there are no claims, actions, suits, proceedings, subpoenas or, to the Knowledge of Parent, investigations pending or, to the Knowledge of Parent, threatened, before any Governmental Entity, or before any arbitrator of any nature, brought by or against any of Parent or its Subsidiaries or any of their officers or directors involving or relating to Parent or its Subsidiaries, the assets, properties or rights of any of Parent and its Subsidiaries or the transactions contemplated by this Agreement and the Amalgamation Agreement. There is no material judgment, decree, injunction, rule or order of any Governmental Entity or before any arbitrator of any nature outstanding, or to the Knowledge of Parent, threatened, against either of Parent or its Subsidiaries, except as set forth on Schedule 4.16.

**Section 4.17. Contracts.** Each contract between Parent and any of its Subsidiaries that is a “material contract” within the meaning of Item 601(b)(4), (9) and (10) of Regulation S-K of the SEC to be performed after the date hereof (each such Contract, a “Parent Material Contract”) is valid, binding and enforceable against Parent or its Subsidiaries and, to the Knowledge of Parent, against the other parties thereto in accordance with its terms, and in full force and effect, subject to the rights of creditors generally and the availability of equitable remedies, except to the extent the failure to be in full force and effect would not have, individually or in the aggregate, a Parent Material Adverse Effect. Each of Parent and its Subsidiaries has performed all material obligations required to be performed by it to date under, and is not in material default or delinquent in performance, status or any other respect (claimed or actual) in connection with, any Parent Material Contract, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default, except as would not have a Parent Material Adverse Effect. To the Knowledge of Parent, no other party to any Parent Material Contract is in material default in respect thereof, and no event has occurred which, with due notice or lapse of time or both, would constitute such a default, except as would not have a Parent Material Adverse Effect.

**Section 4.18. Employee Plans.**

(a) Parent has provided or made available to the Company or its counsel with respect to each and every Parent Benefit Plan a true and complete copy of all plan documents, if any, including related trust agreements, funding arrangements, and insurance contracts and all amendments thereto; and, to the extent applicable, (i) the most recent determination letter, if any, received by Parent or Subsidiary from the IRS regarding the tax-qualified status of such Parent Benefit Plan; (ii) the most recent financial statements for such Parent Benefit Plan, if any; (iii) the most recent actuarial valuation report, if any; (iv) the current summary plan description and any summaries of material modifications; and (v) Form 5500 Annual Returns/Reports, together with all schedules thereto, for the most recent plan year.

(b) With respect to each Parent Benefit Plan and each “employee benefit pension plan” (within the meaning of Section 3(2) of ERISA) sponsored, maintained or contributed to, or required to be contributed to by Parent or any current or former member of Parent’s “controlled group” (within the meaning of Section 414 of the Code or Section 4001 of ERISA) (each, a “Parent ERISA Affiliate”), in each case that is a “single-employer plan” (within

the meaning of Section 3(41) of ERISA) subject to Title IV or Section 302 of ERISA or Section 412 or 4971 of the Code: (i) the minimum funding standards (within the meaning of Sections 412 and 430 of the Code or Section 302 of ERISA) are satisfied, whether or not waived, and no application for a waiver of the minimum funding standard has been submitted to the IRS; (ii) no “reportable event” (within the meaning of Section 4043(c) of ERISA) for which the 30-day notice requirement has not been waived has occurred, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such reportable event; (iii) no liability (other than for premiums to the PBGC) under Title IV of ERISA has been or is reasonably expected to be incurred by Parent or any Parent ERISA Affiliate, and all premiums to the PBGC have been timely paid in full; (iv) the PBGC has not instituted proceedings to terminate any such plan, and, to the Knowledge of Parent, no condition exists that presents a risk that such proceedings will be instituted or which would constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any such plan; (v) no such plan is currently, or is reasonably expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); (vi) the fair market value of the assets and liabilities of such plan has been reported in accordance with GAAP by Parent on the most recent financial statements of Parent; and (vii) neither Parent nor its Subsidiaries have engaged in a “substantial cessation of operations” within the meaning of Section 4062(e) of ERISA, and the consummation of the transactions contemplated by this Agreement will not result in the occurrence of any such event.

(c) No Parent Benefit Plan is a “multiemployer plan” as defined in Section 3(37) of ERISA, and neither Parent nor any Parent ERISA Affiliate has incurred any withdrawal liability which remains unsatisfied with respect to any “multiemployer plan” and to the Knowledge of Parent, no events have occurred and no circumstances exist that could reasonably be expected to result in any such liability to Parent or any of its Subsidiaries.

(d) Except as could not result in a material liability to Parent or its Subsidiaries, no event has occurred and no condition exists that would reasonably be expected to subject Parent (or any of its Subsidiaries) by reason of its affiliation with any Parent ERISA Affiliate to any (i) Tax, penalty, fine or (ii) Lien (other than a Permitted Lien).

(e) With respect to each Parent Benefit Plan that is intended to qualify under Section 401(a) of the Code, such plan, and its related trust, has received, has an application pending or remains within the remedial amendment period for obtaining, a determination letter from the IRS that it is so qualified (taking into account all applicable matters for which the IRS will presently issue letters under the Economic Growth and Tax Relief Reconciliation Act of 2001, the Pension Funding Equity Act of 2005 and the Pension Protection Act of 2006) and that its trust is exempt from Tax under Section 501(a) of the Code, and nothing has occurred with respect to the operation of any such plan which could reasonably be expected to cause the loss of such qualification or exemption or the imposition of any material liability, penalty or tax under ERISA or the Code.

(f) Except as set forth on Schedule 4.18(f), there are no material actions, claims or lawsuits pending or, to the Knowledge of Parent, threatened against or relating to any

Parent Benefit Plan or against any fiduciary of any Parent Benefit Plans with respect to the operation of such plan (other than routine benefits claims).

(g) Each Parent Benefit Plan has been established and administered in all material respects in accordance with its terms, and in compliance in all material respects with the applicable provisions of ERISA, the Code and other applicable laws, and all contributions (including all employer contributions and employee salary reduction contributions) required to have been made under any of the Parent Benefit Plans to any funds or trusts established thereunder or in connection therewith have been made or have been accrued and reported on the Parent's financial statements.

(h) Except as set forth on Schedule 4.18(h), none of the Parent Benefit Plans provide retiree health or life insurance benefits except as may be required by Section 4980B of the Code and Section 601 of ERISA or any other applicable law or at the expense of the participant or the participant's beneficiary. There has been no material violation of the "continuation coverage requirement" of "group health plans" as set forth in Section 4980B of the Code and Part 6 of Subtitle B of Title I of ERISA with respect to any Parent Benefit Plan to which such continuation coverage requirements apply.

(i) Except as set forth on Schedule 4.18(i), neither the execution and delivery of this Agreement or the Amalgamation Agreement nor the consummation of the transactions contemplated hereby or thereby will (either alone or in combination with another event) (i) result in any payment becoming due, or increase the amount of any compensation or benefits due, to any current or former employee of Parent and its Subsidiaries or with respect to any Parent Benefit Plan; (ii) increase any benefits otherwise payable under any Parent Benefit Plan; or (iii) result in the acceleration of the time of payment or vesting of any such compensation or benefits.

(j) Except as set forth on Schedule 4.18(j), neither the execution and delivery of this Agreement or the Amalgamation Agreement nor the consummation of the transactions contemplated hereby or thereby will (either alone or in combination with another event) result in the payment of any amount that would, individually or in combination with any other such payment, not be deductible as a result of Section 280G of the Code.

(k) Except as could not result in a material liability to Parent or its Subsidiaries, each "nonqualified deferred compensation plan" (as defined in Section 409A(d)(1) of the Code) of Parent has been (i) operated since January 1, 2005 in good faith compliance with Section 409A of the Code and all applicable rules and regulations, (ii) brought into documentary compliance with Section 409A of the Code effective as of December 31, 2008, in accordance with the Final Treasury Regulations promulgated under Section 409A of the Code, and (iii) operated since January 1, 2009, in compliance with Section 457A of the Code and all applicable rules, regulations, and guidance thereunder.

(l) Except as could not result in a material liability to Parent or its Subsidiaries, all Parent Benefit Plans subject to the laws of any jurisdiction outside of the United States (i) have been maintained in accordance with all applicable requirements, (ii) if they are intended to qualify for special tax treatment, meet all requirements for such treatment, and (iii) if

they are intended to be funded and/or book-reserved, are fully funded and/or book reserved, as appropriate, based upon reasonable actuarial assumptions.

**Section 4.19. Insurance .** Except as set forth on Schedule 4.19, all surety bonds, fidelity bonds and all material policies of title, liability, fire, casualty, business interruption, workers' compensation and other forms of insurance insuring each of Parent and its Subsidiaries and their material assets, properties and operations are in full force and effect. Except as would not have a Parent Material Adverse Effect, none of Parent or its Subsidiaries is in default under any provisions of any such policy of insurance nor has any of Parent or its Subsidiaries received notice of cancellation of or cancelled any such insurance.

**Section 4.20. Affiliate Transactions .** Except as set forth in the Parent SEC Reports filed prior to the date hereof or as set forth on Schedule 4.20, there are no transactions, agreements, arrangements or understandings between Parent or any of its Subsidiaries, on the one hand, and any director or executive officer of Parent, on the other hand, that would be required to be disclosed under Item 404 of Regulation S-K under the Securities Act other than ordinary course of business employment agreements and similar employee arrangements otherwise set forth on Schedule 4.20(a).

**Section 4.21. Labor Matters .**

(a) Except as set forth on Schedule 4.21(a), neither Parent nor any of its Subsidiaries is a party to any collective bargaining agreement, labor union contract applicable to its employees, or similar agreement or work rules or practices with any labor union, works council, labor organization, or employee association applicable to employees of Parent or any of its Subsidiaries, nor does Parent have Knowledge of any activities or proceedings of any labor union, works council, labor organization or employee association to organize any such employees.

(b) There are no strikes or lockouts pending with respect to any employees of Parent or any of its Subsidiaries, there is no union organizing effort pending or threatened against Parent or any of its Subsidiaries, there is no unfair labor practice, labor dispute (other than routine individual grievances), or labor arbitration proceeding pending or, to the Knowledge of Parent, threatened, with respect to the employees of Parent or any of its Subsidiaries, and there is no slowdown or work stoppage in effect or, to the Knowledge of Parent, threatened, with respect to the employees of Parent or any of its Subsidiaries, except as in each case would not have, or would not reasonably be expected to have, a Parent Material Adverse Effect.

(c) Except as would not have, or would not reasonably be expected to have, a Parent Material Adverse Effect, each of Parent and each of its Subsidiaries is, and has been, in compliance in all respects with all applicable laws relating to employment and employment practices, the classification of employees, wages, overtime, hours, collective bargaining, unlawful discrimination, civil rights, safety and health, workers' compensation and terms and conditions of employment. There are no charges with respect to or relating to either of Parent or its Subsidiaries pending or, to the Knowledge of Parent, threatened before the Equal Employment Opportunity Commission or any national, federal, state or local agency, domestic or foreign, responsible for the prevention of unlawful employment practices. Except as set forth on Schedule 4.21(c), neither

Parent nor any of its Subsidiaries has received any written notice from any national, federal, state or local agency, domestic or foreign, responsible for the enforcement of labor or employment laws of an intention to conduct an investigation of either of Parent or its Subsidiaries and no such investigation is in progress.

(d) Except as would not have, or would not reasonably be expected to have, a Parent Material Adverse Effect, neither Parent nor any of its Subsidiaries has incurred any liability or obligations with respect to any “mass layoff” or “plant closing” as defined by, and pursuant to, WARN with respect to the current or former employees of Parent or its Subsidiaries.

(e) Except as would not have, or would not reasonably be expected to have, a Parent Material Adverse Effect, all independent contractors of Parent and its Subsidiaries (and any other independent contractor who previously rendered services for Parent or its Subsidiaries, at any time) have been, and currently are, properly classified and treated by Parent and its Subsidiaries, as applicable, as independent contractors and not as employees. All such independent contractors have in the past been, and continue to be, properly and appropriately treated as non-employees for all U.S. federal, state, and local and non-U.S. Tax purposes. Parent and its Subsidiaries have fully and accurately reported their independent contractors’ compensation on IRS Forms 1099 (or otherwise in accordance with applicable law) when required to do so, and Parent and its Subsidiaries do not have, nor have they ever had, any liability to provide benefits with respect to their independent contractors under the Parent Benefit Plans or otherwise. At no time within the preceding two years has any independent contractor brought a claim against Parent or its Subsidiaries challenging his or her status as an independent contractor or made a claim for additional compensation or any benefits under any Parent Benefit Plan or otherwise.

**Section 4.22. Environmental Matters.**

(a) Except as would not have a Parent Material Adverse Effect, each of Parent and its Subsidiaries is, and has been, in compliance in all material respects with all applicable Environmental Laws.

(b) To the Knowledge of Parent, Parent and its Subsidiaries have not received any notice of violation or potential liability under any Environmental Laws from any Person or any Governmental Entity inquiry, request for information, or demand letter under any Environmental Law relating to operations or properties of Parent or its Subsidiaries which would be reasonably expected to result in Parent or any of its Subsidiaries incurring material liability under Environmental Laws. None of Parent or its Subsidiaries is subject to any orders arising under Environmental Laws nor are there any administrative, civil or criminal actions, suits, proceedings or investigations pending or, to the Knowledge of Parent, threatened, against Parent or its Subsidiaries under any Environmental Law which would reasonably be expected to result in a Parent Material Adverse Effect. Except as set forth on Schedule 4.22, none of Parent or its Subsidiaries has entered into any agreement pursuant to which Parent or its Subsidiaries has assumed or will assume any liability under Environmental Laws, including without limitation, any obligation for costs of remediation, of any other Person.

(c) Since January 1, 2010, to the Knowledge of Parent, there has been no release or threatened release of any Hazardous Material, on, at or beneath any of the Parent Property or other properties currently or previously owned or operated by Parent or its Subsidiaries or any surface waters or groundwater's thereon or thereunder which requires any material disclosure, investigation, cleanup, remediation, monitoring, abatement, deed or use restriction by Parent, or which would be expected to give rise to any other material liability or damages to Parent or its Subsidiaries under any Environmental Laws.

(d) Except as would not have a Parent Material Adverse Effect, none of Parent or its Subsidiaries has arranged for the disposal of any Hazardous Material, or transported any Hazardous Material, in a manner that has given, or reasonably would be expected to give rise to any liability for any damages or costs of remediation.

**Section 4.23. No Brokers.** The Company will not be liable for any brokerage, finder's or other fee or commission to any consultant, broker, finder or investment banker in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement based upon arrangements made by or on behalf of Parent or Amalgamation Sub.

**Section 4.24. Financing.** As of the date of this Agreement, Parent has delivered to the Company true, complete and correct copies of the fully executed Commitment Letter and the Fee Letter executed in connection with the Financing (with certain fee amounts and certain economic terms of the "market flex" provisions redacted, none of which such redacted fees or economic terms would constitute Parent Financing Expenses). As of the date hereof, the Commitment Letter is in full force and effect and constitutes the legal, valid, binding and enforceable obligations of Parent and, to the Knowledge of Parent, the other parties thereto (subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity). As of the date hereof, the Commitment Letter has not been amended or modified in any respect and, to the Knowledge of Parent, the respective commitments therein have not been withdrawn or terminated. There are no conditions precedent or, to the Knowledge of Parent, other contingencies related to the funding of the full amount of the Financing on the terms set forth in the Commitment Letter (as such terms may be altered in accordance with the "market flex" provisions set forth in the Fee Letter executed in connection with the Financing) other than as expressly set forth as of the date hereof in the Commitment Letter. As of the date hereof, no event has occurred that, with or without notice, lapse of time or both, would constitute a breach by Parent or any other party thereto under the Commitment Letter. Subject to the terms and conditions of the Commitment Letter, as of the date hereof, assuming compliance by the Company in all material respects with its covenants contained in Section 5.1 and Section 7.12(h) and assuming satisfaction of the conditions set forth in Section 8.1 and Section 8.2, the aggregate proceeds to be disbursed pursuant to the agreements contemplated by the Commitment Letter, together with other financial resources of Parent, including cash on hand and marketable securities, will, in the aggregate, be sufficient to fund the payment of any debt required to be repaid, redeemed, retired, canceled, terminated or otherwise satisfied or discharged in connection with the Amalgamation as of the date hereof (including all Indebtedness of the Company and its Subsidiaries required to be repaid, redeemed, retired, canceled, terminated or otherwise satisfied or discharged in connection with the Amalgamation, including premiums and fees incurred in

connection therewith (the “Required Refinancing Indebtedness”), and all other fees and expenses incurred by Parent and Amalgamation Sub in connection with the Amalgamation and the other transactions contemplated hereby. As of the date hereof, assuming satisfaction of the conditions set forth in Section 8.2, Parent has no reason to believe that either it or any other party will be unable to satisfy on a timely basis any condition of the Financing under the Commitment Letter or any related Fee Letter or that the Financing contemplated by the Commitment Letter will not be made available to Parent on the Closing Date; provided that Parent is not making any representation or warranty regarding the Company’s future performance, the effect of any inaccuracy of the representations and warranties of the Company in this Agreement or the failure of the Company to comply with any of its covenants in all material respects under this Agreement. There are no other letters, agreements or understandings (other than customary non-disclosure agreements and diligence non-reliance letters) between Parent, on the one hand, and the Financing Sources, on the other hand, in connection with the Financing. Parent has fully paid all fees and expenses and other amounts required to be paid on or prior to the date of this Agreement pursuant to the Commitment Letter. Other than as set forth in the Commitment Letter, there are no fees or expenses that would constitute Parent Financing Expenses.

**Section 4.25. Network Operations.**

(a) Except as set forth on Schedule 4.25(a), the network of Parent and its Subsidiaries, taken as a whole, is in good working condition and is without any material defects for purposes of operating the business of Parent and its Subsidiaries as operated by Parent and its Subsidiaries.

(b) Parent and its Subsidiaries have good and valid title to approximately 11,874 route-miles, 1,757,747 fiber-miles of fiber in each of the metropolitan areas set forth on Schedule 4.25(b), and have indefeasible rights to use (or lease) approximately 15,195 route-miles and approximately 252,311 fiber-miles of fiber in each of the metropolitan areas set forth on Schedule 4.25(b).

(c) Parent and its Subsidiaries have good and valid title to approximately 48,520 route-miles and approximately 4,994,826 fiber-miles of fiber between the city pairs (and/or submarine IRUs) set forth on Schedule 4.25(c), and have indefeasible rights to use approximately 32,644 route-miles and approximately 418,479 fiber-miles of fiber between the city pairs (and/or submarine IRUs) set forth on Schedule 4.25(c) (including the names of the respective fiber vendors).

(d) Parent and its Subsidiaries have good and valid title to or otherwise have the right to use all items and equipment necessary to operate and maintain the network of Parent and its Subsidiaries and such items and equipment are in good operating condition and repair, free from all material defects, subject only to normal wear and tear.

**Section 4.26. State Takeover Statutes.** No “fair price”, “moratorium”, “control share acquisition” or other similar anti-takeover statute or regulation or any anti-takeover provision in Parent’s Organizational Documents is, or at the Effective Time will be, applicable to



Parent, Parent Common Stock, the Amalgamation or the other transactions contemplated by this Agreement, the Amalgamation Agreement or the Voting Agreement.

**Section 4.27. Board Approval.** The Board of Directors of Parent, at a meeting duly called and held, by unanimous vote (i) determined that this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation, are advisable and fair to, and in the best interests of, Parent, (ii) approved this Agreement, the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation, and (iii) resolved to recommend that the holders of the shares of Parent Common Stock approve the Parent Share Issuance and adopt the Parent Charter Amendment and directed that such matters be submitted for consideration by Parent stockholders at the Parent Stockholders Meeting. Parent hereby agrees to the inclusion in the Joint Proxy Statement/Prospectus of the recommendation of the Board of Directors of Parent described in this Section 4.27 (subject to the right of the Board of Directors of Parent to withdraw, amend or modify such recommendation in accordance with Section 7.4).

**Section 4.28. Vote Required.** The (i) affirmative vote to approve the Parent Share Issuance by the holders of Parent Common Stock representing a majority of the votes cast by such holders at a meeting of stockholders of Parent called for such purpose and entitled to vote thereon (provided that the total vote cast on the proposal represents over 50% in interest of all Parent Common Stock entitled to vote thereon) and (ii) the affirmative vote to approve and adopt the Parent Charter Amendment by the holders of Parent Common Stock representing at least a majority of the outstanding shares of Parent Common Stock (together, the “Required Parent Vote”), is the only vote or consent of the holders of any class or series of Parent’s capital stock necessary in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby, including the Amalgamation.

**Section 4.29. Illegal or Unauthorized Payments; Political Contributions; Exports.**

Except as set forth on Schedule 4.29, since January 1, 2006:

(a) None of Parent, any Subsidiary or, to the Knowledge of Parent, any directors or officers, agents or employees of Parent or any Subsidiary, has (i) provided remuneration or received any remuneration in violation of 42 U.S.C. 1320a-7b(b), the “Federal anti-kickback statute” or any similar law, or (ii) participated in providing financial or reimbursement information to customers that was reported to government reimbursement agencies and that was untrue or misleading in violation of 31 U.S.C. 3729, the “Federal False Claims Act” or any similar law.

(b) Parent and its Subsidiaries and, to the Knowledge of Parent, any and all distributors of Parent’s and its Subsidiaries’ products and services have (i) complied with all applicable Trade Laws and (ii) made reasonable efforts to ensure that no products have been sold directly or indirectly to any entity where such sales are, or were at any time during the previous two years, prohibited by these Trade Laws or other regulations, including, without limitation, in

the case of each of clause (i) and (ii) with respect to any sales made in Iran or to any Person in Iran.

(c) Neither Parent nor any of its Subsidiaries has received notice that it has been the subject of any investigation, complaint or claim of any violation of any Trade Law by any Governmental Entity.

(d) Parent and each of its Subsidiaries has established and continues to maintain reasonable internal controls and procedures intended to ensure compliance with the Trade Laws, including controls and procedures designed to ensure that Parent's and its Subsidiaries' agents, representatives, joint venture partners, and other third parties are in compliance with Trade Laws.

**Section 4.30. No Improper Payments to Foreign Officials .**

Except as set forth on Schedule 4.30, since January 1, 2006:

(a) None of Parent, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of Parent or its Subsidiaries, or any other business entity or enterprise with which Parent or any of its Subsidiaries is or has been affiliated or associated, has, directly or indirectly, taken any action which would cause Parent or any of its Subsidiaries to be in violation of the FCPA or any Anticorruption Laws.

(b) None of Parent, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of Parent or its Subsidiaries, or any other business entity or enterprise with which Parent or any of its Subsidiaries is or has been affiliated or associated, has on behalf of Parent or any of its Subsidiaries taken any act corruptly in furtherance of an offer, payment, promise to pay, authorization, or ratification of the payment, directly or indirectly, of any gift, money or anything of value to a "foreign official" (as defined in the FCPA) to secure any improper advantage or to obtain or retain business for Parent or any of its Subsidiaries.

(c) None of Parent, its Subsidiaries, any of the officers, directors, employees, agents or other representatives of Parent or its Subsidiaries, or any other business entity or enterprise with which Parent or any of its Subsidiaries is or has been affiliated or associated, has, directly or indirectly, taken any action that would cause Parent or Amalgamation Sub to be in violation of the FCPA or the Anticorruption Laws as of the Effective Time.

(d) None of the officers, directors, employees, agents or other representatives of Parent or any of its Subsidiaries are or were "foreign officials" (as defined in the FCPA) who have acted or are in a position to act in any official capacity with respect to Parent or any of its Subsidiaries while they were an officer, director, or employee, agent or other representative of Parent or such Subsidiary, as applicable.

(e) Parent and each of its Subsidiaries has established and continues to maintain reasonable internal controls and procedures intended to ensure compliance with the FCPA and the Anticorruption Laws, including controls and procedures designed to ensure that

Parent's and its Subsidiaries' agents, representatives, joint venture partners, and other third parties do not make payments in violation of the FCPA and the Anticorruption Laws.

(f) The U.S. government has not notified Parent or any of its Subsidiaries of any actual or alleged violation or breach of the FCPA or the Anticorruption Laws. Other than the U.S. government, no Person has, to the Knowledge of Parent, notified Parent or any of its Subsidiaries of any actual or alleged violation or breach of the FCPA or the Anticorruption Laws. To the Knowledge of Parent, none of Parent or any of its Subsidiaries is under investigation by any government for alleged violation(s) of the FCPA or the Anticorruption Laws.

(g) Other than routine compliance and audit activities, none of Parent and its Subsidiaries has undergone or is undergoing any audit, review, inspection, investigation, survey or examination of records relating to Parent's or any of its Subsidiaries' compliance with the FCPA or the Anticorruption Laws, nor, to the Knowledge of Parent, is there any basis for any such audit, review, inspection, investigation, survey or examination of records other than routine compliance and audit activities.

**Section 4.31. No Other Representations or Warranties.** Except for the representations and warranties contained in this Article IV, none of Parent, Amalgamation Sub or any other Person makes any other express or implied representation or warranty on behalf of Parent or Amalgamation Sub with respect to Parent and its Subsidiaries.

## ARTICLE V.

### COVENANTS OF THE COMPANY

The Company hereby covenants as follows:

**Section 5.1. Conduct of Business Before the Closing Date.**

(a) The Company covenants and agrees that, during the period from the date hereof to the earlier of the termination of this Agreement in accordance with its terms and the Effective Time (except as otherwise specifically contemplated by the terms of this Agreement), unless Parent shall otherwise consent in writing: (i) the businesses of the Company and its Subsidiaries shall be conducted, in all material respects, in the ordinary course of business and in a manner consistent with past practice and, in all material respects, in compliance with applicable laws, including without limitation the timely filing of all reports, forms or other documents with the SEC required pursuant to the Securities Act, the Exchange Act or the Sarbanes-Oxley Act, as well as the timely filing of all reports, forms and other documents, and payment of all applicable regulatory fees and assessments, under applicable state and federal law; (ii) the Company shall and shall cause its Subsidiaries to continue to maintain, in all material respects, its assets, properties, rights and operations in accordance with present practice in a condition suitable for their current use, and (iii) the Company shall use its commercially reasonable efforts consistent with the foregoing to preserve substantially intact the business organization of the Company and its Subsidiaries, to keep available the services of the present officers and key employees of the Company and its Subsidiaries and to preserve, in all material respects, the present relationships of the Company and its Subsidiaries with persons with which the Company or any of its Subsidiaries

has significant business relations. Without limiting the generality of the foregoing, neither the Company nor any of its Subsidiaries shall (except as specifically contemplated by the terms of this Agreement or as set forth on Schedule 5.1(a)), between the date of this Agreement and the earlier of the termination of this Agreement in accordance with its terms and the Effective Time, directly or indirectly, do any of the following without the prior written consent of Parent (which consent shall not be unreasonably withheld, conditioned or delayed, other than with respect to clauses (i), (iii) with respect to the sale or transfer of any Subsidiary or business unit or division, (iv), (v), (vi) with respect to acquisitions of any businesses, (ix) and (xiv)):

- (i) make any material change in the conduct of its businesses or enter into any material transaction other than in the ordinary course of business and consistent with past practice;
- (ii) make any change in any of its organizational documents; issue any additional shares of capital stock (other than upon the exercise of options to purchase Company Common Shares or pursuant to the terms of Company RSUs, or upon the conversion of shares of Convertible Preferred Stock, in each case outstanding on the date hereof), membership interests or partnership interests or other equity securities or grant any option, warrant or right to acquire any capital stock, membership interests or partnership interests or other equity securities or issue any security convertible into or exchangeable for such securities or alter in any way any of its outstanding securities or make any change in outstanding shares of capital stock, membership interests or partnership interests or other ownership interests or its capitalization, whether by reason of a reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, stock dividend or otherwise;
- (iii) make any sale, assignment, transfer, abandonment, sublease or other conveyance of any material asset or Company Property, other than (A) granting or entering into any pre-paid leases or IRUs, entering into subleases of co-location space, dispositions of worn-out or obsolete equipment for fair or reasonable value, or other similar transactions, in each case in the ordinary course of business and consistent with past practice, (B) as required by the terms of any agreement governing the Company's Indebtedness or (C) in accordance with clause (xiv) below;
- (iv) subject any of its assets, properties or rights or any part thereof, to any Lien or suffer such to exist other than Permitted Liens (which, for the avoidance of doubt, include additional Liens on assets of the Company or its Subsidiaries after the date hereof to secure Indebtedness of the Company or its Subsidiaries outstanding as of the date hereof if required pursuant to the terms of such Indebtedness);
- (v) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of the capital stock, membership interests or partnership interests or other ownership interests of the Company or declare, set aside or pay any

dividends or other distribution in respect of such shares or interests other than (A) for the purpose of satisfying withholding tax obligations, the purchase, redemption or other acquisition of Company Common Shares or Company RSUs from current or former employees or directors of the Company pursuant to the terms of any employment or option agreement or Company Benefit Plan and (B) the payment of cumulative or current dividends in respect of the Convertible Preferred Stock as and when due in accordance with the terms thereof;

(vi) acquire, lease or sublease any material assets or properties (including any real property) other than in the ordinary course of business and consistent with past practice or as permitted by clause (iii) above;

(vii) (A) increase the compensation or benefits payable or to become payable to the directors or Key Employees or materially increase the compensation or benefits payable or to become payable to consultants or other employees of the Company or any of its Subsidiaries, except, in each case, (1) as otherwise required by the terms of any Company Benefit Plan or (2) as required by law, (B) establish, adopt, enter into or amend any Company Benefit Plan or other collective bargaining, bonus, profit sharing, thrift, compensation, employment, termination, severance, stock incentive or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, officer, consultant or employee, except as contemplated by this Agreement or to the extent required by applicable law or the terms of a collective bargaining agreement, (C) increase the benefits payable under any existing severance or termination pay policies or employment or other agreements, (D) except as specifically provided herein, take any affirmative action to accelerate the vesting of any stock-based compensation except for administrative actions required under any applicable agreement, (E) grant any awards under any bonus, incentive, performance or other compensation plan or arrangement (including the grant of stock options, stock appreciation rights, stock based or stock related awards, performance units, restricted stock, or other equity-based compensation, or the removal of existing restrictions in any outstanding agreement) except for administrative actions required under any applicable agreement, (F) take any action to fund or in any other way secure the payment of compensation or benefits under any Company Benefit Plan except for administrative actions required under any applicable agreement, (G) grant or promise any tax offset payment award under any Company Benefit Plan, (H) make any loan or cash advance to, or engage in any transaction with, any current or former director, officer, employee or independent contractor, (I) hire or promise to hire any officer, or (J) hire or promote any consultant or employee who is not an officer (or would be an officer after hire or promotion) other than in the ordinary course of business consistent with past practice;

(viii) enter into any agreement, contract, or commitment (or series of such similar transactions), other than a renewal in the ordinary course of business (except in the case of (B)(2) and (B)(3) below), (A) (1) for capital expenditures in

excess of \$25,000,000 or (2) that would require capital expenditures in the aggregate in excess of the Company's annual capital expenditure budget for 2011 as was provided to Parent prior to the date hereof, or in 2012, in excess of 110% of such 2011 budgeted amount; provided that the capital expenditures in any given calendar quarter may not exceed 135% of the Company's capital expenditure budget for such quarter; (B) for telecommunications access services (1) in excess of \$25,000,000, (2) in excess of the Company's annual expenditure budget for telecommunications access services for 2011 as was provided to Parent prior to the date hereof, or in 2012, in excess of 110% of such 2011 budgeted amount or (3) in respect of renewals of the access agreements with the counterparties listed on Schedule 5.1(a), a term greater than 12 months, or (C) for telecommunications network operating expenditures, including real estate leases, (1) in excess of \$10,000,000, (2) in excess of the Company's annual operating expenditure budget for such items for 2011 as was provided to Parent prior to the date hereof, or, in 2012, in excess of 110% of such 2011 budgeted amount;

(ix) pay, lend or advance any amount to, or sell, transfer or lease any properties or assets to, or enter into any agreement or arrangement with, any of its Affiliates (other than Wholly Owned Subsidiaries);

(x) fail to keep in full force and effect insurance comparable in amount and scope to coverage currently maintained;

(xi) make any change in any method of accounting or accounting principle, method, estimate or practice except for any such change required by reason of a concurrent change in GAAP, or write off as uncollectible any material accounts receivable except in the ordinary course of business and consistent with past practice;

(xii) (A) make or change any material Tax election, (B) change an annual accounting period, (C) file any amended material Tax Return, (D) enter into any closing agreement with respect to a material amount of Tax, (E) settle any material Tax claim or assessment relating to the Company or any of its Subsidiaries, or (F) surrender any right to claim a refund of material Taxes, other than in the case of actions described in clauses (A), (E) and (F) and, solely with respect to United States state and local Tax matters, (D) of this Section 5.1(a)(xii), in the ordinary course of business consistent with past practice, without consultations with Parent;

(xiii) settle, release or forgive any claim requiring payments to be made by the Company or any of its Subsidiaries in excess of \$2,000,000 individually, or \$10,000,000 in the aggregate, other than intercompany claims, or waive any right with respect to any material claim held by the Company or any of its Subsidiaries other than in the ordinary course of business and consistent with past practice, or settle or resolve any claim against the Company or any of its Subsidiaries on

terms that require the Company or any of its Subsidiaries to materially alter its existing business practices;

(xiv) lend money to any Person (other than to the Company or to Wholly Owned Subsidiaries) or incur or guarantee any Indebtedness for borrowed money (other than from the Company or its Wholly Owned Subsidiaries); provided that (A) the Company (or any of its Subsidiaries that are lessees under capital leases existing on the date hereof) may enter into capital lease obligations so long, as after giving effect to the entry into such obligations, the Company's aggregate outstanding capital lease obligations do not exceed \$153,000,000, (B) the Company may conduct a registered exchange offer with respect to the Senior Notes in connection with which it may issue new Senior Notes in exchange for outstanding Senior Notes and (C) the Company and its Subsidiaries may guarantee any Existing Indebtedness to the extent required under the terms of the agreement or indenture governing such Indebtedness; or

(xv) commit to do any of the foregoing.

(b) Nothing contained in this Agreement shall give to Parent or Amalgamation Sub, directly or indirectly, rights to control or direct the operations of the Company or its Subsidiaries prior to the Closing Date. Prior to the Closing Date, the Company and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its and its Subsidiaries' operations.

**Section 5.2. Notice of Breach.** From and after the date hereof and until the earlier to occur of the Closing Date or the termination of this Agreement pursuant to Article IX hereof, the Company shall promptly give written notice with particularity upon having Knowledge of (i) any matter that may constitute a material breach of any representation, warranty, agreement or covenant contained in this Agreement or (ii) the existence of any event or circumstance that would be likely to cause any condition to the obligations of any party hereto to effect the transactions contemplated by this Agreement not to be satisfied or that would be likely to cause the Financing not to occur.

**Section 5.3. Bermuda Required Actions.** Prior to the Closing, the Company shall (i) procure that the statutory declaration required by Section 108(3) of the Companies Act is duly sworn by one of its officers and (ii) prepare a duly certified copy of the Company's shareholder resolutions evidencing the Required Company Vote and deliver such documents to Parent.

## ARTICLE VI.

### COVENANTS OF PARENT AND AMALGAMATION SUB

#### **Section 6.1. Conduct of the Business Before the Closing Date.**

(a) Parent covenants and agrees that, during the period from the date hereof to the earlier of the termination of this Agreement in accordance with its terms and the Effective

Time (except as otherwise specifically contemplated by the terms of this Agreement), unless the Company shall otherwise consent in writing: (i) the businesses of Parent and its Subsidiaries shall be conducted, in all material respects, in the ordinary course of business and in a manner consistent with past practice and, in all material respects, in compliance with applicable laws, including without limitation the timely filing of all reports, forms or other documents with the SEC required pursuant to the Securities Act, the Exchange Act or the Sarbanes-Oxley Act, as well as the timely filing of all reports, forms and other documents, and payment of all applicable regulatory fees and assessments, under applicable state and federal law; (ii) Parent shall and shall cause its Subsidiaries to continue to maintain, in all material respects, its assets, properties, rights and operations in accordance with present practice in a condition suitable for their current use, and (iii) Parent shall use its commercially reasonable efforts consistent with the foregoing to preserve substantially intact the business organization of Parent and its Subsidiaries, to keep available the services of the present officers and key employees of Parent and its Subsidiaries and to preserve, in all material respects, the present relationships of Parent and its Subsidiaries with persons with which Parent or any of its Subsidiaries has significant business relations. Without limiting the generality of the foregoing, neither Parent nor any of its Subsidiaries shall (except as specifically contemplated by the terms of this Agreement or as set forth on Schedule 6.1(a)), between the date of this Agreement and the earlier of the termination of this Agreement in accordance with its terms and the Effective Time, directly or indirectly do, any of the following without the prior written consent of the Company (which consent shall not be unreasonably withheld, conditioned or delayed, other than with respect to clauses (i), (ii), (iii), (iv) with respect to acquisitions of any businesses, (v) and (x)):

(i) make any material change in the conduct of its businesses or enter into any transaction other than in the ordinary course of business and consistent with past practice;

(ii) make any change in any of its organizational documents; issue any additional shares of capital stock, membership interests or partnership interests or other equity securities or grant any option, warrant or right to acquire any capital stock, membership interests or partnership interests or other equity securities or issue any security convertible into or exchangeable for such securities or alter in any way any of its outstanding securities or make any change in outstanding shares of capital stock, membership interests or partnership interests or other ownership interests or its capitalization, whether by reason of a reclassification, recapitalization, stock split or combination, exchange or readjustment of shares, stock dividend or otherwise; except, in each case, for (A) grants of stock options or restricted stock units under the Parent Benefit Plans in the ordinary course of business, (B) shares of Parent Common Stock issuable upon exercise of outperform stock options or settlement of restricted stock units, (C) shares of Parent Common Stock issuable upon conversion of outstanding convertible notes, (D) shares of Parent Common Stock issuable to directors of Parent in accordance with Parent's director compensation plans or (E) up to 50,000,000 shares of Parent Common Stock in the aggregate issuable in connection with acquisitions permitted under this Section 6.1;



(iii) redeem, retire, purchase or otherwise acquire, directly or indirectly, any shares of the capital stock, membership interests or partnership interests or other ownership interests of Parent and its Subsidiaries or declare, set aside or pay any dividends or other distribution in respect of such shares or interests of Parent other than (A) the purchase, redemption or other acquisition of Parent Common Stock or Parent RSUs from current or former employees of Parent as permitted or contemplated by the terms of any employment or option agreement or Parent Benefit Plan or (B) the distribution of rights pursuant to the terms of the Rights Agreement;

(iv) acquire, lease or sublease any material assets, or properties (including any real property), or enter into any other transaction, other than in the ordinary course of business and consistent with past practice, or in connection with transactions that both (x) do not exceed \$100,000,000 in the aggregate of all such transactions, and (y) are not reasonably expected to prevent, materially hinder or materially delay the receipt of the necessary or required waiting period expirations or terminations, consents, approvals and authorizations for the transactions contemplated by this Agreement and the Amalgamation Agreement under the HSR Act and similar laws of other jurisdictions, the Communications Act, Section 721 of the Defense Production Act, or any other Regulatory Law;

(v) pay, lend or advance any amount to, or sell, transfer or lease any properties or assets to, or enter into any agreement or arrangement with, any of its Affiliates (other than Wholly Owned Subsidiaries);

(vi) fail to keep in full force and effect insurance comparable in amount and scope to coverage maintained;

(vii) make any change in any method of accounting or accounting principle, method, estimate or practice except for any such change required by reason of a concurrent change in GAAP, or write off as uncollectible any material accounts receivable except in the ordinary course of business and consistent with past practice;

(viii) (A) make or change any material Tax election, (B) change an annual accounting period, (C) file any amended material Tax Return, (D) enter into any closing agreement with respect to a material amount of Tax, (E) settle any material Tax claim or assessment relating to Parent or any of its Subsidiaries, or (F) surrender any right to claim a refund of material Taxes, other than in the case of actions described in clauses (A), (E) and (F) and, solely with respect to United States state and local Tax matters, (D) of this Section 6.1(a)(viii), in the ordinary course of business consistent with past practice, without consultations with the Company;

(ix) settle, release or forgive any material claim or any claim held by Parent or any of its Subsidiaries or waive any right thereto, or settle or resolve any

claim against Parent or any of its Subsidiaries on terms that require Parent or any of its Subsidiaries to materially alter its existing business practices;

(x) lend money to any Person (other than Wholly Owned Subsidiaries) or incur or guarantee any Indebtedness for borrowed money or enter into any capital lease obligation other than as permitted under the Commitment Letter as of the date hereof or in connection with the Required Refinancing Indebtedness; provided that (A) Parent, or Level 3 Financing, as applicable, may conduct a registered exchange offer with respect to each of the Parent 11.875% Senior Notes and the Level 3 Financing 9.375% Senior Notes in connection with which it may issue new Parent 11.875% Senior Notes and Level 3 Financing 9.375% Senior Notes, respectively, in exchange for outstanding Parent 11.875% Senior Notes and Level 3 Financing 9.375% Senior Notes, respectively, and (B) Parent and its Subsidiaries may guarantee any Indebtedness of Parent and its Subsidiaries in existence on the date hereof or permitted to be incurred in compliance with the terms hereof prior to the Termination Date, to the extent required under the terms of the agreement or indenture governing such Indebtedness; or

(xi) commit to do any of the foregoing.

(b) Nothing contained in this Agreement shall give to the Company, directly or indirectly, rights to control or direct the operations of Parent or its Subsidiaries prior to the Closing Date. Prior to the Closing Date, Parent and its Subsidiaries shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision of its and its Subsidiaries' operations.

## **Section 6.2. Employee Benefits.**

(a) For the period commencing on the Effective Time and ending on December 31, 2011, Parent agrees that each employee of the Company or its Subsidiaries who shall have been an employee of the Company or its Subsidiaries as of the Effective Time (each, a "Continuing Company Employee"), while such Continuing Company Employee remains employed by Parent, the Amalgamated Company, or any Subsidiary of the Amalgamated Company, shall be eligible to either, at the sole discretion of Parent: (i) participate in Parent's employee benefit plans and programs, including any pension plan, defined benefit plan, defined contribution plan, bonus plan, profit sharing plan, severance plan, medical plan, dental plan, life insurance plan, time off programs and disability plan (excluding any equity incentive plan), in each case to the same extent as similarly situated employees of Parent or its Subsidiaries; or (ii) continue to participate in employee benefit plans, programs and policies of the Company and its Subsidiaries, which provide benefits that are no less favorable in the aggregate to the benefits (excluding equity-based compensation) provided to such Continuing Company Employee under the Company Benefit Plans immediately before the Closing Date; provided that neither Parent, the Amalgamated Company, nor any Subsidiary of the Amalgamated Company shall be required to provide any Continuing Company Employee with any type of benefit (or any compensation in lieu thereof) that the Continuing Company Employee receives, or becomes vested in, in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement.

(b) Parent agrees that any Continuing Company Employee whose employment is terminated within the one (1) year period commencing on the Effective Time will be entitled to cash severance benefits that are no less favorable, and welfare benefits that are no less favorable in the aggregate, in each case than the cash severance benefits and welfare benefits, respectively, if any, determined in accordance with the terms of the applicable Company Benefit Plan providing for severance benefits to such Continuing Company Employee in effect as of the date of this Agreement.

(c) With respect to any Company Benefit Plan or Parent Benefit Plan in which any employees and former employees of the Company or Parent and their Subsidiaries (the “Participating Employees”) first become eligible to participate on or after the Effective Time, and in which such Participating Employees did not participate prior to the Effective Time (collectively, the “New Plans”), each Participating Employee shall, to the extent permitted by applicable law, receive full credit for the years of continuous service by such Participating Employee recognized by the Company or its Subsidiaries prior to the Effective Time to the same extent as if it were service with Parent for purposes of (i) satisfying the service requirements for eligibility to participate in each such New Plan, (ii) vesting in any benefits under each such New Plan, and (iii) calculating the level of benefits with respect to severance, vacation, personal days off and any other welfare-type benefits with respect to which a Participating Employee may be eligible, where service is a factor in calculating benefits, provided that, none of the foregoing shall apply with respect to defined benefit pension plans benefit accrual or where such credit would result in a duplication of benefits. With respect to any New Plan that is a welfare benefit plan in which any Participating Employees first become eligible to participate on or after the Effective Time, and in which such Participating Employees did not participate prior to the Effective Time, subject to any applicable plan provisions, contractual requirements or laws, Parent shall, (A) cause to be waived any eligibility requirements or pre-existing condition limitations except to the extent such eligibility requirements or pre-existing conditions would apply under the analogous Company Benefit Plan or Parent Benefit Plan in which any such Participating Employee was a participant or eligible to participate as of immediately prior to the Effective Time, and (B) give effect, in determining any deductibles, co-insurance or maximum out of pocket limitations, to amounts paid by such Participating Employees prior to the Effective Time under a Company Benefit Plan or Parent Benefit Plan in which any such Participating Employee was a participant as of immediately prior to the Effective Time (to the same extent that such credit was given under such Company Benefit Plan or Parent Benefit Plan prior to the Effective Time) in satisfying such requirements during the plan year in which the Effective Time occurs.

(d) If requested by Parent at least ten Business Days prior to the Closing Date, the Company shall take (or cause to be taken) all actions reasonably necessary pursuant to resolutions of the Board of Directors of the Company necessary or appropriate to terminate, effective no later than the day prior to the Closing Date, any defined contribution Company Benefit Plan that contains a cash or deferred arrangement, whether intended to qualify under Section 401(k) of the Code or otherwise (a “Company Defined Contribution Plan”). If the Company is required to terminate any Company Defined Contribution Plan, then the Company shall provide to Parent prior to the Closing Date written evidence of the adoption by the Board of Directors the Company of resolutions authorizing the termination of such Company Defined

Contribution Plan (the form and substance of which resolutions shall be subject to the prior review and approval of Parent, which approval shall not be unreasonably withheld or delayed).

(e) Nothing contained in this Section 6.2, express or implied: (i) shall be construed to establish, amend, or modify any benefit plan, program, agreement or arrangement, including without limitation, any Company Benefit Plan or any Parent Benefit Plan, (ii) shall alter or limit the ability of any of Parent, Amalgamation Sub, the Company, the Amalgamated Company, or any of their respective Subsidiaries to amend, modify or terminate any benefit plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them, (iii) is intended to confer upon any current or former employee any right to employment or continued employment for any period of time by reason of this Agreement, or any right to a particular term or condition of employment, or (iv) is intended to confer upon any Person (including for the avoidance of doubt any current or former employee) any right as a third-party beneficiary of this Agreement.

### **Section 6.3. Indemnification Continuation .**

(a) For purposes of this Section 6.3, (i) “Indemnified Person” shall mean any person who is now, or has been at any time prior to the Effective Time, (x) an officer or director of the Company or any of its Subsidiaries or (y) serving at the request of the Company as an officer or director of another corporation, joint venture or other enterprise or general partner of any partnership or a trustee of any trust, and can (in the case of a person contemplated by clause (y)) provide reasonable evidence thereof to Parent and (ii) “Proceeding” shall mean any claim, action, suit, proceeding or investigation.

(b) From and after the Effective Time, Parent shall, or Parent shall cause the Amalgamated Company to the fullest extent permitted by applicable law, to provide indemnification to each Indemnified Person to the same extent and under the same conditions and procedures (and subject to the same conditions, including with respect to the advancement of expenses) as such Indemnified Person is entitled on the date hereof under the Company Organizational Documents (or the corresponding organizational documents of any Subsidiary of the Company) in connection with any Proceeding based directly or indirectly (in whole or in part) on, or arising directly or indirectly (in whole or in part) out of, the fact that such Indemnified Person is or was an officer or director of the Company or any of its Subsidiaries, or is or was serving at the request of the Company as an officer or director of another corporation, joint venture or other enterprise or general partner of any partnership or a trustee of any trust, whether pertaining to any matter arising before or after the Effective Time. An Indemnified Person shall repay the Amalgamated Company for any expenses incurred by Amalgamated Company in connection with the indemnification of such Indemnified Person pursuant to this Section 6.3 if it is ultimately determined that such Indemnified Person did not meet the standard of conduct necessary for indemnification by the Amalgamated Company as set forth in the Company Organizational Documents. The Amalgamated Company shall not amend, repeal or otherwise modify the exculpation, indemnification and advancement of expenses provisions of the Company’s and any of its Subsidiaries’ certificates of incorporation and by-laws or similar organizational documents as in effect immediately prior to the Effective Time or in any indemnification contracts of the Company or its Subsidiaries with any of their respective directors,

officers or employees as in effect immediately prior to the Effective Time, in each case in any manner that would adversely affect the rights thereunder of any individuals who at the Effective Time were current or former directors, officers or employees of the Company or any of its Subsidiaries

(c) Parent shall cause the Amalgamated Company to, and the Amalgamated Company shall, maintain in effect for six years from the Effective Time the Company's current directors' and officers' liability insurance policies covering acts or omissions occurring at or prior to the Effective Time with respect to Indemnified Persons (provided that the Amalgamated Company may substitute therefor policies with reputable carriers of at least the same coverage containing terms, conditions and exclusions that are not less favorable in the aggregate to the Indemnified Persons); provided, however, that in no event shall the Amalgamated Company be required to expend pursuant to this Section 6.3(c) more than an amount per year equal to 300% of current annual premiums paid by the Company for such insurance. In the event that, but for the proviso to the immediately preceding sentence, the Amalgamated Company would be required to expend more than 300% of current annual premiums, the Amalgamated Company shall obtain the maximum amount of such insurance obtainable by payment of annual premiums equal to 300% of current annual premiums. In lieu of the foregoing, the Company may purchase, prior to the Effective Time, a six-year "tail" prepaid officers' and directors' liability insurance policy in respect of acts or omissions occurring prior to the Effective Time covering each such Indemnified Person. If such "tail" policy has been established by the Company, Parent shall not terminate such policy and shall cause all obligations thereunder to be honored by it and the Amalgamated Company.

(d) The provisions of this Section 6.3 shall survive the consummation of the Amalgamation for a period of six years and are expressly intended to benefit each of the Indemnified Persons; provided, however, that in the event that any claim or claims for indemnification are asserted or made within such six-year period, all rights to indemnification in respect of any such claim or claims shall continue until disposition of any and all such claims.

(e) Parent shall, and shall cause the Amalgamated Company to, pay all reasonable expenses, including reasonable attorneys' fees, that may be incurred by any Indemnified Person in enforcing the indemnity and other obligations provided in this Section 6.3; provided, Parent shall only be liable for such expenses incurred by an Indemnified Person if such Indemnified Person successfully enforces its claim in an enforcement action to enforce the indemnity and other obligations in this Section 6.3.

**Section 6.4. Notice of Breach.** From and after the date hereof and until the earlier to occur of the Closing Date or the termination of this Agreement pursuant to Article IX hereof, Parent shall promptly give written notice with particularity upon having Knowledge of (i) any matter that may constitute a material breach of any representation, warranty, agreement or covenant contained in this Agreement or (ii) the existence of any event or circumstance that would be likely to cause any condition to the obligations of any party hereto to effect the transactions contemplated by this Agreement not to be satisfied or that would be likely to cause the Financing not to occur.

**Section 6.5. Bermuda Required Actions.** Prior to the Closing, Amalgamation Sub shall (and Parent, as the sole shareholder of Amalgamation Sub shall cause Amalgamation Sub to) (i) procure that the statutory declarations required by Section 108(3) of the Companies Act are duly sworn by one of Amalgamation Sub's officers; (ii) prepare a duly certified copy of the shareholder resolutions evidencing the approval of Parent, as the sole stockholder of the Amalgamation Sub, of the Amalgamation; (iii) obtain the approval of the Registrar to the proposed name of the Amalgamated Company; and (iv) prepare a notice advising the Registrar of the registered office of the Amalgamated Company.

## ARTICLE VII.

### ADDITIONAL COVENANTS OF THE PARTIES

**Section 7.1. Preparation of Joint Proxy Statement/Prospectus and Registration Statement; Stockholder Meetings.**

(a) As promptly as practicable, and in any event within 45 days after the execution of this Agreement, the Company and Parent shall cooperate in preparing and cause to be filed with the SEC the Joint Proxy Statement/Prospectus, and Parent shall prepare, together with the Company, and file with the SEC the registration statement on Form S-4 or any amendment or supplement thereto pursuant to which shares of Parent Common Stock issuable in the Amalgamation will be registered with the SEC (the "Registration Statement") (in which the Joint Proxy Statement/Prospectus will be included). Parent and the Company shall use their reasonable best efforts to cause the Registration Statement to become effective under the Securities Act as soon after such filing as practicable and to keep the Registration Statement effective as long as is necessary to consummate the Amalgamation. The Joint Proxy Statement/Prospectus shall include the recommendation of each of the Boards of Directors of the Company and Parent in favor of approval and adoption of this Agreement, the Amalgamation Agreement and the Amalgamation, and any resolution required by Rule 14a-21(c) under the Exchange Act to approve, on an advisory basis, the compensation required to be disclosed in the Registration Statement pursuant to Item 402(t) of Regulation S-K, except to the extent the Board of Directors of the Company shall have withdrawn or modified its approval or recommendation of this Agreement, the Amalgamation Agreement or the Amalgamation to the extent such action is permitted by Section 7.4, and, with respect to the Board of Directors of Parent, in favor of approval and adoption of the Parent Share Issuance and the Parent Charter Amendment. Each of the Company and Parent shall use its reasonable best efforts to cause the Joint Proxy Statement/Prospectus to be mailed to its respective stockholders as promptly as practicable after the Registration Statement becomes effective. The parties shall promptly provide copies, consult with each other and prepare written responses with respect to any written comments received from the SEC with respect to the Joint Proxy Statement/Prospectus and the Registration Statement and advise one another of any oral comments received from the SEC. The Registration Statement and the Joint Proxy Statement/Prospectus shall, at the time of each of the Company Stockholders Meeting and the Parent Stockholders Meeting, comply as to form in all material respects with the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder.

(b) Parent and the Company shall make all necessary filings with respect to the Amalgamation and the transactions contemplated thereby under the Securities Act and the Exchange Act and applicable “blue sky” laws and the rules and regulations thereunder. Each party will advise the other, promptly after it receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of the qualification of the Parent Common Stock issuable in connection with the Amalgamation for offering or sale in any jurisdiction, or any request by the SEC for amendment of the Joint Proxy Statement/Prospectus or the Registration Statement or comments thereon and responses thereto or requests by the SEC for additional information. No amendment or supplement to the Joint Proxy Statement/Prospectus or the Registration Statement shall be filed without the approval of both parties hereto, which approval shall not be unreasonably withheld or delayed; provided that with respect to documents filed by a party which are incorporated by reference in the Joint Proxy Statement/Prospectus or the Registration Statement, this right of approval shall apply only with respect to information relating to the other party or its business, financial condition or results of operations. If at any time prior to the Effective Time, any information relating to Parent or the Company, or any of their respective Affiliates, officers or directors, should be discovered by Parent or the Company that should be set forth in an amendment or supplement to the Registration Statement or the Joint Proxy Statement/Prospectus, so that such documents would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by law, disseminated to the stockholders of the Company and Parent.

(c) The Company shall cause the Company Stockholders Meeting to be duly called and held as soon as reasonably practicable for the purpose of obtaining the Required Company Vote. In connection with such meeting, the Company will (i) subject to Section 7.4(b) and Section 7.4(c), use its reasonable best efforts to obtain the Required Company Vote and (ii) otherwise comply with all legal requirements applicable to such meeting. The information supplied or to be supplied by the Company specifically for inclusion or incorporation in the Registration Statement shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. The information supplied or to be supplied by the Company specifically for inclusion in the Joint Proxy Statement/Prospectus, which shall be included in the Registration Statement, shall not, on the date(s) the Joint Proxy Statement/Prospectus is first mailed to the shareholders of the Company and the stockholders of Parent, respectively, or at the time of the Company Stockholders Meeting or the Parent Stockholders Meeting, respectively, or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Parent shall cause the Parent Stockholders Meeting to be duly called and held as soon as reasonably practicable for the purpose of obtaining the Required Parent Vote. In connection with such meeting, Parent will (i) subject to Section 7.4(h), use its reasonable best

efforts to obtain the Required Parent Vote and (ii) otherwise comply with all legal requirements applicable to such meeting. The information supplied or to be supplied by Parent specifically for inclusion or incorporation in the Registration Statement shall not at the time the Registration Statement is declared effective by the SEC contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading. The information supplied or to be supplied by Parent specifically for inclusion in the Joint Proxy Statement/Prospectus, which shall be included in the Registration Statement, shall not, on the date(s) the Joint Proxy Statement/Prospectus is first mailed to the shareholders of the Company and the stockholders of Parent, respectively, or at the time of the Company Stockholders Meeting or the Parent Stockholders Meeting, respectively, or at the Effective Time, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

**Section 7.2.      Access to Information .**

Upon reasonable notice, each of Parent and the Company shall (and shall cause its respective Subsidiaries to) afford to the other party hereto and its representatives (including Financing Sources and their representatives) reasonable access during normal business hours, during the period prior to the Effective Time, to all its officers, employees, properties, offices, plants and other facilities and to all books and records, including financial statements, other financial data and monthly financial statements within the time such statements are customarily prepared, and, during such period, each of Parent and the Company shall (and shall cause its respective Subsidiaries to) furnish promptly to the other party hereto and its representatives (including Financing Sources and their representatives), consistent with its legal obligations, all other information concerning its business, properties and personnel as such Person may reasonably request; provided, however, that either party hereto may restrict the foregoing access to the extent that, in such Person's reasonable judgment, (i) providing such access would result in the disclosure of any trade secrets of third parties or violate any of its obligations with respect to confidentiality if such Person shall have used all reasonable efforts to obtain the consent of such third party to such access, or (ii) any law, treaty, rule or regulation of any Governmental Entity applicable to such Person requires such Person or its Subsidiaries to preclude the other party and its representatives from gaining access to any properties or information. Each party hereto will hold any such information that is non-public in confidence to the extent required by, and in accordance with, the provisions of that certain agreement, dated July 2, 2009 (the "Confidentiality Agreement"), between the Company and Parent.

**Section 7.3.      Efforts .**

(a) Subject to the terms and conditions of this Agreement, each party will use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate the Amalgamation and the other transactions contemplated by this Agreement and the Amalgamation Agreement as soon as practicable after the date hereof, including, without limitation, (i) preparing and filing, in consultation with the other party and as promptly as practicable and advisable after the date hereof, all documentation to effect all necessary



applications, notices, petitions, filings, and other documents and to obtain as promptly as practicable all waiting period expirations or terminations, consents, clearances, waivers, licenses, orders, registrations, approvals, permits, and authorizations necessary or advisable to be obtained from any third party and/or any Governmental Entity in order to consummate the Amalgamation or any of the other transactions contemplated by this Agreement or the Amalgamation Agreement and (ii) taking all steps as may be necessary to obtain all such waiting period expirations or terminations, consents, clearances, waivers, licenses, registrations, permits, authorizations, orders and approvals; provided, however, that efforts in connection with the Financing and the Required Refinancing Indebtedness shall be governed by Section 7.12 and not this Section 7.3. In furtherance and not in limitation of the foregoing, each party hereto agrees to make an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated hereby as promptly as practicable, and in any event within 20 Business Days after the execution of this Agreement, and to supply as promptly as practicable any additional information and documentary material that may be requested pursuant to the HSR Act and to take all other actions necessary to cause the expiration or termination of the applicable waiting periods under the HSR Act as soon as practicable.

(b) Each of Parent and the Company shall, in connection with the efforts referenced in Section 7.3(a) to obtain all waiting period expirations or terminations, consents, clearances, waivers, licenses, orders, registrations, approvals, permits, and authorizations for the transactions contemplated by this Agreement and the Amalgamation Agreement under the HSR Act, the Communications Act or any other Regulatory Law (as defined below), (i) cooperate in all respects and consult with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party, including by allowing the other party to have a reasonable opportunity to review in advance and comment on drafts of filings and submissions; (ii) promptly inform the other party of any communication received by such party from, or given by such party to, the Antitrust Division of the Department of Justice (the “DOJ”), the Federal Trade Commission (the “FTC”), the FCC, CFIUS or any other Governmental Entity, by promptly providing copies to the other party of any such written communications, and of any material communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated by this Agreement and the Amalgamation Agreement, provided, however, that materials may be redacted (x) to remove references concerning the valuation of Parent, Company or any of their Subsidiaries, (y) as necessary to comply with contractual arrangements, and (z) as necessary to address reasonable privilege or confidentiality concerns; and (iii) permit the other party to review any communication that it gives to, and consult with each other in advance of any meeting, substantive telephone call or conference with, the DOJ, the FTC, the FCC, CFIUS, or any other Governmental Entity, provided, however, that materials may be redacted (x) to remove references concerning the valuation of Parent, Company or any of their Subsidiaries, (y) as necessary to comply with contractual arrangements, and (z) as necessary to address reasonable privilege or confidentiality concerns, or, in connection with any proceeding by a private party, with any other Person, and to the extent permitted by the DOJ, the FTC, the FCC, CFIUS or any other applicable Governmental Entity or other Person, give the other party the opportunity to attend and participate in such meetings, substantive telephone calls and conferences. For purposes of this Agreement, “Regulatory Law” means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, the Communications

Act, Section 721 of the Defense Production Act , and all other national, federal or state, domestic or foreign, if any, statutes, rules, regulations, orders, decrees, administrative and judicial doctrines and other laws that are designed or intended to (i) prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or affecting competition or market conditions through merger, acquisition or other transaction, (ii) regulate telecommunications businesses, or (iii) regulate foreign investment. In furtherance and not in limitation of the covenants of the parties contained in Section 7.3(a) and this Section 7.3(b), each party hereto shall use its reasonable best efforts to resolve objections, if any, as may be asserted with respect to the transactions contemplated by this Agreement and the Amalgamation Agreement under any Regulatory Law. Notwithstanding anything to the contrary contained in this Agreement, Parent shall not be required to agree to any terms, conditions or modifications (including Parent, the Company or any of their respective Subsidiaries having to cease operating, sell or otherwise dispose of any assets or business (including the requirement that any such assets or businesses be held separate)) with respect to obtaining the expiration or termination of any waiting period or any consents, permits, waivers, approvals, authorizations or orders in connection with the Amalgamation or the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement that would result in, or would be reasonably likely to result in, either individually or in the aggregate, a material adverse effect on (x) the business or operations of the Company and its Subsidiaries, taken as a whole, (y) Parent and its Subsidiaries, taken as a whole (assuming Parent and its Subsidiaries, taken as a whole, are the size of the Company and its Subsidiaries, taken as a whole), or (z) Parent and its Subsidiaries, taken as a whole, after giving effect to the Amalgamation (assuming Parent and its Subsidiaries, taken as a whole, prior to giving effect to the Amalgamation, are the size of the Company and its Subsidiaries, taken as a whole, prior to giving effect to the Amalgamation).

(c) Each of Parent and the Company shall use its commercially reasonable efforts to obtain the expiration or termination of all waiting periods and all consents, waivers, authorizations and approvals of all third parties, including Governmental Entities, necessary, proper or advisable for the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement and to provide any notices to third parties required to be provided prior to the Effective Time; provided that, without the prior written consent of Parent, the Company shall not incur any significant expense or liability, enter into any significant new commitment or agreement or agree to any significant modification to any contractual arrangement to obtain such consents or certificates in each case, that would have a material adverse effect on the business or operations of the Company and its Subsidiaries, taken as a whole. If at any point during the CFIUS review process, CFIUS offers the parties an opportunity to withdraw and resubmit their joint notice, and either party opts to request withdrawal and resubmission in response to such offer by CFIUS, then the other party shall agree to join the request for withdrawal and resubmission at the end of the first initial 30-day review.

(d) The parties shall use their commercially reasonable efforts to negotiate such amendments to (or the replacement of) the Network Security Agreement and any such similar agreements as they may deem necessary, proper or advisable.

#### **Section 7.4. Acquisition Proposals .**

(a) Subject to Section 7.4(b), none of the Company or any of its Subsidiaries shall (whether directly or indirectly through Affiliates, directors, officers, employees, representatives, advisors or other intermediaries), nor shall (directly or indirectly) the Company authorize or permit any of its or their controlled Affiliates, officers, directors, representatives, advisors or other intermediaries or Subsidiaries to: (i) solicit, initiate or knowingly encourage the submission of inquiries, proposals or offers from any Person (other than Parent) relating to any Company Acquisition Proposal, or agree to or endorse any Company Acquisition Proposal; (ii) enter into any agreement to (x) consummate any Company Acquisition Proposal, (y) approve or endorse any Company Acquisition Proposal or (z) in connection with any Company Acquisition Proposal, require it to abandon, terminate or fail to consummate the Amalgamation; (iii) enter into or participate in any discussions or negotiations in connection with any Company Acquisition Proposal or inquiry with respect to any Company Acquisition Proposal, or furnish to any Person any non-public information with respect to its business, properties or assets in connection with any Company Acquisition Proposal; or (iv) agree to resolve to take, or take, any of the actions prohibited by clause (i), (ii) or (iii) of this sentence. The Company shall immediately cease, and cause its representatives, advisors and other intermediaries to immediately cease, any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Company shall promptly inform its representatives and advisors of the Company's obligations under this Section 7.4. Any violation of this Section 7.4 by any representative of the Company or its Subsidiaries shall be deemed to be a breach of this Section 7.4 by the Company. For purposes of this Section 7.4, the term "Person" means any person, corporation, entity or "group," as defined in Section 13(d) of the Exchange Act, other than, with respect to the Company, Parent or any Subsidiaries of Parent and, with respect to Parent, the Company.

"Company Acquisition Proposal" means any offer or proposal for a merger, amalgamation, reorganization, recapitalization, consolidation, scheme of arrangement, share exchange, business combination or other similar transaction involving the Company or any of its Subsidiaries or any proposal or offer to acquire, directly or indirectly, securities representing more than 20% of the voting power of the Company or more than 20% of the assets of the Company and its Subsidiaries taken as a whole, other than the Amalgamation contemplated by this Agreement and the Amalgamation Agreement.

(b) Notwithstanding the foregoing, the Board of Directors of the Company, directly or indirectly through Affiliates, directors, officers, employees, representatives, advisors or other intermediaries, may, prior to the Company Stockholders Meeting, (i) comply with Rule 14d-9 and Rule 14e-2 promulgated under the Exchange Act with regard to any Company Acquisition Proposal, so long as any such compliance rejects any Company Acquisition Proposal and reaffirms its recommendation of the transactions contemplated by this Agreement and the Amalgamation Agreement, except to the extent such action is permitted by Section 7.4(c), or issue a "stop, look and listen" statement, (ii) engage in negotiations or discussions with any Person (and its representatives, advisors and intermediaries) that has made an unsolicited bona fide written Company Acquisition Proposal not resulting from or arising out of a breach of Section 7.4(a), and/or (iii) furnish to such Person information relating to the Company or any of its Subsidiaries pursuant to a confidentiality agreement with confidentiality provisions that are no less favorable to the Company than those contained in the Confidentiality Agreement and to the extent nonpublic

information that has not been made available to Parent is made available to such Person, furnish such nonpublic information substantially concurrent with the time it is provided to such Person; provided that the Board of Directors of the Company shall be permitted to take an action described in the foregoing clauses (ii) or (iii) if, and only if, prior to taking such particular action, the Board of Directors of the Company has determined in good faith by a majority vote that such Company Acquisition Proposal constitutes or would reasonably be expected to result in, a Company Superior Proposal.

“ Company Superior Proposal ” means any proposal (on its most recently amended or modified terms, if amended or modified) made by a third party that is not affiliated with the Company to enter into any transaction involving a Company Acquisition Proposal that the Board of Directors of the Company determines in its good faith judgment (after consultation with the Company’s outside legal counsel and financial advisor) would be, if consummated, more favorable to the Company’s shareholders than this Agreement, the Amalgamation Agreement and the Amalgamation, taking into account all terms and conditions of such transaction (including any break-up fees, expense reimbursement provision and financial terms, the anticipated timing, conditions and prospects for completion of such transaction, including the prospects for obtaining regulatory approvals and financing, and any third party approvals), except that the reference to “20%” in the definition of “Company Acquisition Proposal” shall be deemed to be a reference to “50%”. Reference to “this Agreement”, the “Amalgamation Agreement” and “the Amalgamation” in this paragraph shall be deemed to include any proposed alteration of the terms of this Agreement, the Amalgamation Agreement or the Amalgamation that are agreed to by Parent pursuant to Section 7.4(d).

(c) Notwithstanding anything in Section 7.1 or this Section 7.4 to the contrary, at any time prior to the receipt of the Required Company Vote, the Company’s Board of Directors may (x) withdraw, modify or amend in any manner adverse to Parent its approval or recommendation of this Agreement, the Amalgamation Agreement or the Amalgamation (“ Company Change in Recommendation ”) (i) in response to a Company Intervening Event, or (ii) following receipt of an unsolicited bona fide written Company Acquisition Proposal that did not result from a breach of this Section 7.4 and which the Company’s Board of Directors determines in good faith, in consultation with its financial advisors and outside legal counsel is a Company Superior Proposal, in each case, if and only if, the Company’s Board of Directors has determined in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action is inconsistent with the fiduciary duties of the Company’s Board of Directors to the Company’s shareholders under applicable Law and the Company complies with Section 7.4(d) or (y) following receipt of an unsolicited bona fide written Company Acquisition Proposal that did not result from a breach of this Section 7.4 and which the Company’s Board of Directors determines in good faith, in consultation with its financial advisors and outside legal counsel is a Company Superior Proposal, terminate this Agreement for the purpose of entering into a definitive acquisition agreement, merger agreement or similar definitive agreement (a “ Company Alternative Acquisition Agreement ”) with respect to such Company Superior Proposal, if, and only if, the Company’s Board of Directors has determined in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action is inconsistent with the fiduciary duties of the Company’s Board of Directors to the Company’s shareholders under applicable Law and the Company complies with Section 7.4(d)

and concurrently with entering into a Company Alternative Acquisition Agreement with respect to such Company Superior Proposal, (1) the Company terminates this Agreement in accordance with the provisions of Section 9.1(g) and (2) the Company pays the Company Termination Fee and the Parent Expenses in accordance with Section 9.2(f).

(d) Prior to the Company taking any action permitted (i) under Section 7.4(c)(x)(i), the Company shall provide Parent with five (5) Business Days' prior written notice advising Parent it intends to effect a Company Change in Recommendation and specifying, in reasonable detail, the reasons therefor and, during such five (5) Business Day period, if requested by Parent, the Company engages in good faith negotiations with Parent to amend the terms of this Agreement in a manner that obviates the need to effect a Company Change in Recommendation or (ii) under Section 7.4(c)(x)(ii) or Section 7.4(c)(y) the Company shall provide Parent with five (5) Business Days' prior written notice (it being understood and agreed that any material amendment to the amount or form of consideration payable in connection with the applicable Company Acquisition Proposal shall require a new notice and an additional two (2) Business Day period) advising Parent that the Company's Board of Directors intends to take such action, and if applicable, specifying the material terms and conditions of the Company Superior Proposal and that the Company shall, during such five (5) Business Day period (or subsequent two (2) Business Day period), negotiate in good faith with Parent to make such adjustments to the terms and conditions of this Agreement and the Amalgamation Agreement such that such Company Acquisition Proposal would no longer constitute a Company Superior Proposal.

(e) The Company shall notify Parent promptly (but in any event within 36 hours) after receipt or occurrence of (i) any Company Acquisition Proposal, (ii) any proposals, discussions, negotiations or inquiries that would reasonably be expected to lead to a Company Acquisition Proposal, and (iii) the material terms and conditions of any such Company Acquisition Proposal and the identity of the Person making any such Company Acquisition Proposal or with whom such discussions or negotiations are taking place, in each case, if such request for information, inquiry or proposal or discussions or negotiations would reasonably be expected to lead to a Company Acquisition Proposal. In addition, the Company shall promptly (but in any event within 36 hours) after the receipt thereof, provide to Parent copies of any written documentation material to understanding such Company Acquisition Proposal which is received by the Company from the Person (or from any representatives, advisors or agents of such Person) making such Company Acquisition Proposal or with whom discussions or negotiations would reasonably be expected to lead to a Company Acquisition Proposal. The Company shall not, and shall cause each of its Subsidiaries not to, terminate, waive, amend or modify any provision of any existing standstill or confidentiality agreement to which it or any of its Subsidiaries is a party, and the Company shall, and shall cause its Subsidiaries to, enforce the provisions of any such agreement; provided, however, that, the Company may waive any such provision in response to a Company Acquisition Proposal to the Board of Directors of the Company made under circumstances in which the Company is permitted under this Section 7.4 to participate in discussions regarding a Company Acquisition Proposal, but only to the extent necessary to allow it to respond to such Company Acquisition Proposal as permitted under this Section 7.4. The Company shall keep Parent reasonably informed of the status and material details (including any amendments or proposed amendments) of any such Company Acquisition Proposal and keep Parent reasonably informed as to the material details of any information requested of or provided

by the Company and as to the material details of all discussions or negotiations with respect to any such Company Acquisition Proposal and shall provide to Parent within 36 hours after receipt thereof all copies of any other documentation material to understanding such Company Acquisition Proposal (as determined by the Company in good faith) received by the Company from the Person (or from any representatives, advisors or agents of such Person) making such Company Acquisition Proposal or with whom such discussions or negotiations are taking place. The Company shall promptly provide to Parent any material non-public information concerning the Company provided to any other Person in connection with any Company Acquisition Proposal that was not previously provided to Parent. The Board of Directors of the Company shall promptly consider in good faith (in consultation with its outside legal counsel and financial advisors) any proposed alteration of the terms of this Agreement, the Amalgamation Agreement or the Amalgamation proposed by Parent in response to any Company Acquisition Proposal. The Company shall not take any action to exempt any Person from the restrictions on “business combinations” contained in any applicable law or otherwise cause such restrictions not to apply.

(f) None of Parent nor any of its Subsidiaries shall (whether directly or indirectly through Affiliates, directors, officers, employees, representatives, advisors or other intermediaries), nor shall (directly or indirectly) Parent authorize or permit any of its or their Affiliates, officers, directors, representatives, advisors or other intermediaries or Subsidiaries to: (i) solicit, initiate or knowingly encourage the submission of inquiries, proposals or offers from any Person (other than the Company) relating to any Parent Acquisition Proposal, or agree to endorse any Parent Acquisition Proposal, (ii) enter into any agreement to (x) consummate any Parent Acquisition Proposal, (y) approve or endorse any Parent Acquisition Proposal or (z) in connection with any Parent Acquisition Proposal, require it to abandon, terminate or fail to consummate the Amalgamation, (iii) enter into or participate in any discussions or negotiations in connection with any Parent Acquisition Proposal or inquiry with respect to any Parent Acquisition Proposal, or furnish to any Person any non-public information with respect to its business, properties or assets in connection with any Parent Acquisition Proposal; or (iv) agree to resolve to take, or take, any of the actions prohibited by clause (i), (ii) or (iii) of this sentence. Parent and its Subsidiaries shall immediately cease, and cause its representatives, advisors and other intermediaries to immediately cease, any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. Parent shall promptly inform its representatives and advisors of Parent’s obligations under this Section 7.4. Any violation of this Section 7.4 by any representative of Parent or its Subsidiaries shall be deemed to be a breach of this Section 7.4 by Parent.

The term “Parent Acquisition Proposal” means any offer or proposal for a merger, amalgamation, reorganization, recapitalization, consolidation, share exchange, business combination or other similar transaction involving Parent or any of its Subsidiaries or any proposal or offer to acquire, directly or indirectly, securities representing more than 20% of the voting power of Parent or more than 20% of the assets of Parent and its Subsidiaries taken as a whole.

(g) Notwithstanding the foregoing, the Board of Directors of Parent, directly or indirectly through Affiliates, directors, officers, employees, representatives, advisors or other intermediaries, may, prior to the Parent Stockholders Meeting, (i) comply with Rule 14d-9 and

Rule 14e-2 promulgated under the Exchange Act with regard to any Parent Acquisition Proposal, so long as any such compliance rejects any Parent Acquisition Proposal and reaffirms its recommendation of the transactions contemplated by this Agreement and the Amalgamation Agreement, except to the extent such action is permitted by Section 7.4(h), or issue a “stop, look and listen” statement, (ii) engage in negotiations or discussions with any Person (and its representatives, advisors and intermediaries) that has made an unsolicited bona fide written Parent Acquisition Proposal not resulting from or arising out of a breach of Section 7.4(f), and/or (iii) furnish to such Person information relating to Parent or any of its Subsidiaries pursuant to a confidentiality agreement with confidentiality provisions that are no less favorable to Parent than those contained in the Confidentiality Agreement and to the extent nonpublic information that has not been made available to the Company is made available to such Person, furnish such nonpublic information substantially concurrent with the time it is provided to such Person; provided that the Board of Directors of Parent shall be permitted to take an action described in the foregoing clauses (ii) or (iii) if, and only if, prior to taking such particular action, the Board of Directors of Parent has determined in good faith by a majority vote that such Parent Acquisition Proposal constitutes or would reasonably be expected to result in, a Parent Superior Proposal.

“Parent Superior Proposal” means any proposal (on its most recently amended or modified terms, if amended or modified) made by a third party that is not affiliated with Parent to enter into any transaction involving a Parent Acquisition Proposal that the Board of Directors of Parent determines in its good faith judgment (after consultation with Parent’s outside legal counsel and financial advisor) would be, if consummated, more favorable to Parent’s stockholders than this Agreement, the Amalgamation Agreement and the Amalgamation, taking into account all terms and conditions of such transaction (including any break-up fees, expense reimbursement provision and financial terms, the anticipated timing, conditions and prospects for completion of such transaction, including the prospects for obtaining regulatory approvals and financing, and any third party approvals), except that the reference to “20%” in the definition of “Parent Acquisition Proposal” shall be deemed to be a reference to “50%”. Reference to “this Agreement”, the “Amalgamation Agreement” and “the Amalgamation” in this paragraph shall be deemed to include any proposed alteration of the terms of this Agreement, the Amalgamation Agreement or the Amalgamation that are agreed to by the Company pursuant to Section 7.4(h).

(h) Notwithstanding anything in Section 7.1 or this Section 7.4 to the contrary, at any time prior to the receipt of the Required Parent Vote, Parent’s Board of Directors may (x) withdraw, modify or amend in any manner adverse to the Company its approval or recommendation of this Agreement, the Amalgamation Agreement or the Amalgamation (“Parent Change in Recommendation”) (i) in response to a Parent Intervening Event, or (ii) following receipt of an unsolicited bona fide written Parent Acquisition Proposal that did not result from a breach of this Section 7.4 and which Parent’s Board of Directors determines in good faith, in consultation with its financial advisors and outside legal counsel is a Parent Superior Proposal, in each case, if and only if, Parent’s Board of Directors has determined in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action is inconsistent with the fiduciary duties of Parent’s Board of Directors to Parent’s stockholders under applicable Law and Parent complies with Section 7.4(i) or (y) following receipt of an unsolicited bona fide written Parent Acquisition Proposal that did not result from a breach of this Section 7.4 and which Parent’s Board of Directors determines in good faith, in

consultation with its financial advisors and outside legal counsel is a Parent Superior Proposal, terminate this Agreement for the purpose of entering into a definitive acquisition agreement, merger agreement or similar definitive agreement (a “ Parent Alternative Acquisition Agreement ”) with respect to such Parent Superior Proposal, if, and only if, Parent’s Board of Directors has determined in good faith, after consultation with its financial advisors and outside legal counsel, that the failure to take such action is inconsistent with the fiduciary duties of Parent’s Board of Directors to Parent’s stockholders under applicable Law and Parent complies with Section 7.4(i) and concurrently with entering into a Parent Alternative Acquisition Agreement with respect to such Parent Superior Proposal, (1) Parent terminates this Agreement in accordance with the provisions of Section 9.1(h) and (2) Parent pays the Parent Termination Fee and the Parent Expenses in accordance with Section 9.2(g).

(i) Prior to Parent taking any action permitted (i) under Section 7.4(h)(x)(i), Parent shall provide the Company with five (5) Business Days’ prior written notice advising the Company it intends to effect a Parent Change in Recommendation and specifying, in reasonable detail, the reasons therefor and, during such five (5) Business Day period, if requested by the Company, Parent engages in good faith negotiations with the Company to amend the terms of this Agreement in a manner that obviates the need to effect a Parent Change in Recommendation or (ii) under Section 7.4(h)(x)(ii) or Section 7.4(h)(y) Parent shall provide the Company with five (5) Business Days’ prior written notice (it being understood and agreed that any material amendment to the amount or form of consideration payable in connection with the applicable Parent Acquisition Proposal shall require a new notice and an additional two (2) Business Day period) advising the Company that Parent’s Board of Directors intends to take such action, and if applicable, specifying the material terms and conditions of the Parent Superior Proposal and that Parent shall, during such five (5) Business Day period (or subsequent two (2) Business Day period), negotiate in good faith with the Company to make such adjustments to the terms and conditions of this Agreement and the Amalgamation Agreement such that such Parent Acquisition Proposal would no longer constitute a Parent Superior Proposal.

(j) Parent shall notify the Company promptly (but in any event within 36 hours) after receipt or occurrence of (i) any Parent Acquisition Proposal, (ii) any proposals, discussions, negotiations or inquiries that would reasonably be expected to lead to a Parent Acquisition Proposal, and (iii) the material terms and conditions of any such Parent Acquisition Proposal and the identity of the Person making any such Parent Acquisition Proposal or with whom such discussions or negotiations are taking place, in each case, if such request for information, inquiry or proposal or discussions or negotiations would reasonably be expected to lead to a Parent Acquisition Proposal. In addition, Parent shall promptly (but in any event within 36 hours) after the receipt thereof, provide to the Company copies of any written documentation material to understanding such Parent Acquisition Proposal which is received by Parent from the Person (or from any representatives, advisors or agents of such Person) making such Parent Acquisition Proposal or with whom discussions or negotiations would reasonably be expected to lead to a Parent Acquisition Proposal. Parent shall not, and shall cause each of its Subsidiaries not to, terminate, waive, amend or modify any provision of any existing standstill or confidentiality agreement to which it or any of its Subsidiaries is a party, and Parent shall, and shall cause its Subsidiaries to, enforce the provisions of any such agreement; provided, however, that, Parent may waive any such provision in response to a Parent Acquisition Proposal to the Board of



Directors of Parent made under circumstances in which Parent is permitted under this Section 7.4 to participate in discussions regarding a Parent Acquisition Proposal, but only to the extent necessary to allow it to respond to such Parent Acquisition Proposal as permitted under this Section 7.4. Parent shall keep the Company reasonably informed of the status and material details (including any amendments or proposed amendments) of any such Parent Acquisition Proposal and keep the Company reasonably informed as to the material details of any information requested of or provided by Parent and as to the material details of all discussions or negotiations with respect to any such Parent Acquisition Proposal and shall provide to the Company within 36 hours after receipt thereof all copies of any other documentation material to understanding such Parent Acquisition Proposal (as determined by Parent in good faith) received by Parent from the Person (or from any representatives, advisors or agents of such Person) making such Parent Acquisition Proposal or with whom such discussions or negotiations are taking place. The Board of Directors of Parent shall promptly consider in good faith (in consultation with its outside legal counsel and financial advisors) any proposed alteration of the terms of this Agreement, the Amalgamation Agreement or the Amalgamation proposed by the Company in response to any Parent Acquisition Proposal. Parent shall not take any action to exempt any Person from the restrictions on “business combinations” contained in any applicable law or otherwise cause such restrictions not to apply.

**Section 7.5. Stockholder Litigation.** Each of the Company and Parent shall keep the other party hereto informed of, and cooperate with such party in connection with, any stockholder litigation or claim against such party and/or its directors or officers relating to the Amalgamation or the other transactions contemplated by this Agreement and the Amalgamation Agreement; provided, however, that no settlement in connection with such stockholder litigation shall be agreed to without Parent’s prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

**Section 7.6. Maintenance of Insurance.** Each of Parent and the Company will use reasonable best efforts to maintain in full force and effect through the Closing Date all material insurance policies applicable to Parent and its Subsidiaries and the Company and its Subsidiaries, respectively, and their respective properties and assets in effect on the date hereof. If and as requested by Parent, the Company will use reasonable best efforts to cause the Company’s insurers to waive any provisions in such insurance policies that would allow the insurer to terminate or adversely modify coverage upon consummation of the Amalgamation.

**Section 7.7. Public Announcements.** Each of the Company, Parent and Amalgamation Sub agrees that no public release or announcement concerning the transactions contemplated hereby shall be issued by any party without the prior written consent of the Company and Parent (which consent shall not be unreasonably withheld or delayed), except as such release or announcement may be required by law or the rules or regulations of any applicable United States securities exchange, in which case the party required to make the release or announcement shall use its reasonable best efforts to allow each other party reasonable time to comment on such release or announcement in advance of such issuance, it being understood that the final form and content of any such release or announcement, to the extent so required, shall be at the final discretion of the disclosing party.

**Section 7.8.      No Rights Plan .** From the date hereof through the earlier of termination of this Agreement and the Effective Time, the Company will not adopt, approve, or agree to adopt, a rights plan, “poison-pill” or other similar agreement or arrangement or any anti-takeover provision in the Company Organizational Documents that is, or at the Effective Time shall be, applicable to the Company, the Company Common Shares, the Convertible Preferred Stock, the Amalgamation or the other transactions contemplated by this Agreement and the Amalgamation Agreement.

**Section 7.9.      Section 16 Matters .** Assuming that the Company delivers to Parent the Company Section 16 Information (as hereinafter defined) in a timely fashion prior to the Effective Time, the Board of Directors of Parent, or a committee of Non-Employee Directors thereof (as such term is defined for purposes of Rule 16b-3(d) under the Exchange Act), shall reasonably promptly thereafter and in any event prior to the Effective Time adopt a resolution providing in substance that the receipt by the Company Insiders (as hereinafter defined) of Parent Common Stock or derivative securities with respect to Parent Common Stock in exchange for Company Common Shares and derivative securities with respect to Company Common Shares and shares of Convertible Preferred Stock pursuant to the transactions contemplated by this Agreement and the Amalgamation Agreement and to the extent such securities are listed in the Company Section 16 Information, are intended to be exempt from liability pursuant to Section 16(b) under the Exchange Act in accordance with Rule 16b-3 and interpretations of the SEC thereunder. In addition, the Board of Directors of the Company, or a committee of Non-Employee Directors thereof, shall, prior to the Effective Time, adopt a resolution providing in substance that the dispositions by the Company Insiders of Company Common Shares (including derivative securities with respect to Company Common Shares) in exchange for shares of Parent Common Stock or derivative securities with respect to Parent Common Stock pursuant to the transactions contemplated by this Agreement and the Amalgamation Agreement and to the extent such securities are listed in the Company Section 16 Information, are intended to be exempt from liability pursuant to Section 16(b) under the Exchange Act in accordance with Rule 16b-3 and interpretations of the SEC thereunder. “Company Section 16 Information” shall mean information accurate in all material respects regarding Company Insiders, the number of Company Common Shares and derivative securities with respect to Company Common Shares held by each such Company Insider and expected to be exchanged for shares of Parent Common Stock or derivative securities with respect to Parent Common Stock in the Amalgamation and any other information that may be required under applicable interpretations of the SEC under Rule 16b-3. “Company Insiders” shall mean those officers and directors of the Company who are subject to the reporting requirements of Section 16(a) of the Exchange Act and who are listed in the Company Section 16 Information.

**Section 7.10.      Reorganization .**

(a)      The parties intend that the Amalgamation qualify as a reorganization within the meaning of Section 368(a) of the Code and will report it as such for U.S. federal, state and local income tax purposes. None of the parties will knowingly take any action or fail to take any action, which action or failure to act would cause the Amalgamation to fail to qualify as a reorganization within the meaning of Section 368(a) of the Code and the regulations promulgated thereunder.

(b) Each of the Company, Parent and Amalgamation Sub shall use its reasonable best efforts to (i) provide the representations referred to in Section 8.2(d) and Section 8.3(d), respectively, as of the date of the Joint Proxy Statement/Prospectus and as of the Closing Date, (ii) obtain the opinions referred to in Section 8.2(d) and Section 8.3(d), respectively and (iii) obtain an opinion from Bermuda counsel that Willkie Farr & Gallagher LLP, counsel to Parent, and Latham & Watkins LLP, counsel to the Company, can rely on and reasonably satisfactory to each of Parent and the Company regarding the treatment of the Amalgamation as resulting in the cessation of the separate legal status of the Company and the assets and liabilities of the Company becoming assets and liabilities of the Amalgamated Company under Bermuda law.

**Section 7.11. Parent Board of Directors .** On or prior to the Effective Time, Parent shall determine the number of directors that will comprise the full Board of Directors of Parent at the Effective Time and shall appoint to Parent's Board of Directors the number of individuals designated by the Shareholder as determined in accordance with Schedule 7.11.

**Section 7.12. Financing/Financing Assistance .**

(a) Parent shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, advisable or proper to consummate and obtain the Financing on the terms and conditions described in the Commitment Letter (or on revised terms that are not materially adverse to Parent as compared to the terms and conditions described in the Commitment Letter and do not contain any provisions which would reasonably be expected to prevent, materially delay or materially impede the consummation of the Financing or the transactions contemplated by this Agreement and the Amalgamation Agreement, including any modified or additional conditions to the closing of such Financing), including using commercially reasonable efforts to (i) maintain in effect the Commitment Letter, (ii) satisfy on a timely basis all conditions to the funding of the Financing set forth in the Commitment Letter, and (iii) negotiate and enter into definitive agreements with respect thereto on the terms and conditions contemplated by the Commitment Letter (including after giving effect to any "market flex" provisions set forth in the Fee Letter executed in connection with the Financing); it being understood that the receipt of the Financing is not a condition to Parent's or Amalgamation Sub's obligation to consummate the Closing on the terms and conditions set forth herein (subject to the terms and conditions of Section 9.1 and Section 9.2); and (iv) enforce its rights under the Commitment Letter in the event of a breach or repudiation by any party thereto that would reasonably be expected to materially impede or delay the Closing, including, without limitation, commencing litigation and bringing any suit, claim, action, proceeding, arbitration, or mediation against the Financing Sources providing Financing to seek to enforce Parent's, Amalgamation Sub's or any of their Affiliates' rights under the Commitment Letter. For the avoidance of doubt, in the event that (w) the third calendar day after the final day of the Marketing Period has occurred, (x) all or any portion of the Financing (other than any bridge financing) has not been consummated, (y) all conditions contained in Article VIII shall have been satisfied or waived (other than those conditions that by their nature are to be satisfied at Closing provided that such conditions are reasonably capable of being satisfied at Closing) and (z) the bridge facilities contemplated by the Commitment Letter and the proceeds thereof are available on the terms and conditions described in the Commitment Letter, then Parent shall cause the proceeds of such bridge financing to be used in lieu of such unavailable Financing at the Closing. Parent shall not,

and shall not permit Amalgamation Sub to, agree to or permit any amendment, replacements, supplement or other modification of, or waive any of its material rights under, the Commitment Letter without the Company's prior written consent (which consent shall not be unreasonably withheld, conditioned or delayed); provided that Parent may (x) enter into any amendment, replacement, supplement or other modification to or waiver of any provision of the Commitment Letter (other than any modified or additional conditions to the closing of such Financing or any reduction in the aggregate amount of the Financing contemplated thereunder) that does not contain any provisions that would reasonably be expected to prevent, materially delay or materially impede the consummation of the Financing or the transactions contemplated by this Agreement and the Amalgamation Agreement; and (y) amend the Commitment Letter to add lenders, lead arrangers, book runners, syndication agents or similar entities who had not executed the Commitment Letter as of the date of this Agreement so long as any such addition would not reasonably be expected to prevent, materially hinder or materially delay the consummation of the Financing or the transactions contemplated by this Agreement and the Amalgamation Agreement or the availability of the Financing under the Commitment Letter. Neither Parent nor any of its Affiliates shall willfully take any action intended to materially delay or prevent the consummation of the transactions contemplated hereby, including the Financing.

(b) In the event any portion of the Financing becomes unavailable on the terms and conditions described in or contemplated by the Commitment Letter (including after giving effect to the "market flex" provisions set forth in the Fee Letter executed in connection with the Financing) for any reason, Parent shall, in consultation with the Company, use its commercially reasonable efforts to arrange to obtain, as promptly as practicable following the occurrence of such event, alternative financing from the same or alternative sources (the "Alternative Financing") in an amount sufficient to fund the payment of the Required Refinancing Indebtedness including premiums and fees incurred in connection therewith which would not involve terms that are less favorable in any material respect to Parent and which would not contain any provisions that would reasonably be expected to prevent, materially delay or materially impede the consummation of the Financing or the transactions contemplated by this Agreement and the Amalgamation Agreement, including any conditions to the closing of such Financing that are materially less favorable to Parent than the conditions to closing in the Commitment Letter (as defined immediately prior to such Alternative Financing). If an Alternative Financing is required in accordance with this Section 7.12(b), Parent shall obtain, and when obtained, provide the Company with a copy of, a new financing commitment that provides for such Alternative Financing, and Parent shall comply with its covenants in Section 7.12(a) with respect to the Commitment Letter (as defined immediately after receipt of such Alternative Financing).

(c) Parent shall give the Company prompt written notice of any material breach or repudiation (or any threatened breach delivered in writing that would be reasonably likely to materially impede or delay the Closing) by any party of the Commitment Letter of which Parent becomes aware or any termination of the Commitment Letter. Parent shall keep the Company informed on a reasonably current basis in reasonable detail of the status of its efforts to arrange and consummate the Financing. Upon the reasonable request of the Company, Parent and the Company will consult with each other in good faith, and upon mutual agreement, Parent will request that the Financing Sources confirm (a) their intent and ability to perform, and the availability of the Financing, under the Commitment Letter, subject only to satisfaction or waiver

of the conditions set forth in the Commitment Letter, and (b) that they are not aware of any event or condition that would reasonably be expected to result in the failure of any condition set forth in the Commitment Letter.

(d) At the request and expense of Parent, the Company shall, at a time reasonably requested by Parent, (i) promptly commence an offer to purchase with respect to any and all of the outstanding aggregate principal amount of the Company's Senior Secured Notes and Senior Notes and to promptly cause the GCUK Issuers to promptly commence an offer to purchase with respect to any and all of the outstanding aggregate principal amount of the GCUK Senior Notes, in each case for cash on price terms that are reasonably acceptable to Parent to be consummated substantially simultaneously with the Closing using funds provided by Parent (the "Offers to Purchase"), and (ii) solicit the consent of the holders of each series of Notes regarding certain proposed amendments to the indenture governing such series of Notes (the "Indenture Amendments") as reasonably requested by Parent and as set forth in the tender offer and consent solicitation documents sent to holders of such series of Notes, which amendments may include the elimination of all or substantially all of the restrictive covenants and certain other provisions contained in the indenture governing such series of Notes that can be eliminated upon the favorable vote of the holders of a majority of the principal amount thereof (the "Consent Solicitations" and, together with the Offers to Purchase, the "Debt Tender Offer"), and Parent shall assist the Company in connection therewith. The Debt Tender Offer shall be made on customary terms and conditions and such other terms and conditions that are reasonably proposed by Parent and reasonably acceptable to the Company; provided that, in any event, Parent and the Company hereby agree that (i) the terms and conditions of the Debt Tender Offer shall provide that the closing thereof shall be contingent upon the consummation of the Amalgamation at the Effective Time; (ii) the Indenture Amendments shall not require the consent of the holders of more than a majority of the outstanding principal amount of the applicable series of Notes in the aggregate, (iii) tendering of the applicable series of Notes pursuant to the Debt Tender Offer shall constitute the grant of a consent to the Indenture Amendments and (iv) promptly upon expiration of the Consent Solicitations, assuming the requisite consents have been received with respect to such series of Notes, the Company or GCUK Issuers, as applicable, shall execute a supplemental indenture to the indentures governing each series of Notes that will become operative only immediately upon the Effective Time and shall use commercially reasonable efforts to cause the trustee under each such indenture to enter into such supplemental indenture prior to or substantially simultaneously with the Closing. Concurrent with the Effective Time, and in accordance with the terms of the Debt Tender Offer, the Amalgamated Company shall accept for purchase and purchase each series of Notes properly tendered and not properly withdrawn in the Debt Tender Offer using funds provided by or at the direction of Parent. Parent hereby covenants and agrees to provide (or to cause to be provided) immediately available funds to the Company and the GCUK Issuers for the full payment at the Effective Time of all Notes properly tendered and not withdrawn to the extent required pursuant to the terms of the Debt Tender Offer.

(e) Upon the request of Parent pursuant to Section 7.12(d), the Company shall promptly prepare an offer to purchase and consent solicitation statement with respect to the Debt Tender Offer with respect to the Senior Secured Notes and the Senior Notes, and the GCUK Issuers shall promptly prepare an offer to purchase and consent solicitation statement with respect to the Debt Tender Offer with respect to the GCUK Senior Notes, and in each case the related

letter of transmittal and consent and forms of other related letters and summary advertisement, as well as all other information and exhibits that may be necessary or advisable in connection with the Debt Tender Offer (collectively, the “Offer Documents”). The Company will cause the Offer Documents to be mailed to the holders of the applicable series of Senior Secured Notes and/or Senior Notes and GCUK Issuers will cause the Offer Documents to be mailed to the holders of the GCUK Senior Notes, as applicable, promptly following the commencement of the Debt Tender Offer in accordance with Section 7.12(d); provided, however, that all mailings to the holders of the applicable series of Notes in connection with the Debt Tender Offer and all press releases issued by the Company or the GCUK Issuers with respect to the Debt Tender Offer (including any press release that purports to announce, modify or amend the terms of the Debt Tender Offer) shall be subject to the prior review, comment and approval of Parent, which review, comment and approval shall not be unreasonably withheld, conditioned or delayed. In the event that this Agreement is terminated in accordance with Section 9.1 hereof, the Company and the GCUK Issuers will have the right to (i) amend the Offer Documents without Parent’s review, comment or approval and/or (ii) terminate the Debt Tender Offer.

(f) Alternatively, if Parent determines instead that it or one of its Subsidiaries shall make the Debt Tender Offer, at Parent’s expense, the Company shall provide all cooperation reasonably requested by Parent that is necessary or reasonably required in connection with the Debt Tender Offer, including, without limitation, executing (or causing the GCUK Issuers to execute) supplemental indentures to the indentures governing each series of Notes that will become operative only immediately upon the Effective Time, using commercially reasonable efforts to cause the trustee under each such indenture to enter such supplemental indenture prior or substantially simultaneously with the Closing, and providing the information necessary to distribute the applicable Offer Documents to the holders of the applicable series of Notes.

(g) Notwithstanding anything to the contrary contained in this Section 7.12(g), neither the Company nor the GCUK Issuers shall be required to take any action in connection with the Debt Tender Offer that it believes, after consultation with counsel, (i) could reasonably be expected to cause the Company or such GCUK Issuer to violate (A) federal or state securities laws or (B) the provisions of the indentures governing the applicable series of Notes or (ii) would reasonably be expected to cause the Company or such GCUK Issuer to materially violate the provisions of any other material contract of the Company and its Subsidiaries or of the GCUK Issuers and their subsidiaries.

(h) Prior to the Closing, the Company shall provide to Parent and Amalgamation Sub, and shall cause its Subsidiaries to, and shall use its commercially reasonable efforts to cause the respective officers, employees, agents and representatives of the Company and its Subsidiaries to, provide to Parent and Amalgamation Sub all cooperation reasonably requested by Parent that is necessary or reasonably required in connection with the Financing, including the following: (i) using commercially reasonable efforts to cause the Company’s and its Subsidiaries senior officers and other representatives to participate in meetings, presentations, road shows, due diligence sessions (including accounting due diligence sessions), drafting sessions and sessions with rating agencies on reasonable advance notice to the extent practicable; (ii) assisting with the preparation of appropriate and customary materials for rating agency presentations, offering documents, bank information memoranda and similar documents reasonably required in

connection with the Financing; provided, that any such marketing materials shall reflect that one or more of Parent and its Subsidiaries will be the obligors at Closing and that the Company and its Subsidiaries shall have no obligations thereunder unless and until the Effective Time occurs; (iii) using its commercially reasonable efforts to assist with the preparation of any pledge and security documents, any loan agreement, currency or interest hedging agreement, other definitive financing documents on terms reasonably satisfactory to Parent, or other certificates, legal opinions or documents as may be reasonably requested by Parent and usual and customary for transactions of the type contemplated by the Commitment Letter, provided that no obligation of the Company or any of its Subsidiaries under any such document or agreement shall be effective until the Effective Time; (iv) using commercially reasonable efforts to facilitate the pledging of collateral, provided that no pledge shall be effective until the Effective Time; (v) using commercially reasonable efforts to furnish on a confidential basis to Parent and Amalgamation Sub and the Financing Sources, as promptly as reasonably practicable, with financial and other pertinent information regarding the Company as may be reasonably requested by Parent, including all financial statements and other financial data reasonably required by the Commitment Letter; (vi) providing monthly financial statements (excluding footnotes) to the extent the Company customarily prepares such financial statements within the time such statements are customarily prepared; (vii) executing and delivering (or using reasonable best efforts to obtain from its advisors), and causing its Subsidiaries to execute and deliver (or use reasonable best efforts to obtain from its advisors), customary certificates, accounting comfort letters (including consents of accountants for use of their audit reports in any financial statements relating to the Financing), legal opinions or other documents and instruments relating to guarantees and other matters ancillary to the Financing as may be reasonably requested by Parent as necessary and customary in connection with the Financing, (viii) providing audited consolidated financial statements of the Company covering the three (3) fiscal years immediately preceding the Closing for which audited consolidated financial statements are then currently available, unaudited financial statements (excluding footnotes) for any regular quarterly interim fiscal period or periods of the Company ended after the date of the most recent audited financial statements and at least 45 days prior to the Closing Date (within 45 days after the end of each such period), and (ix) requesting that its independent accountants cooperate with and assist Parent in preparing customary and appropriate information packages and offering materials as the parties to the Commitment Letter may reasonably request for use in connection with the offering and/or syndication of debt securities, loan participations and other matters contemplated by the Commitment Letter, in obtaining third party consents in connection with such financing, and in extinguishing Existing Indebtedness of the Company and its Subsidiaries and releasing liens securing such indebtedness, in each case to take effect at the Effective Time; provided that except as provided in Section 9.2 with respect to the payment by the Company of the Parent Financing Expenses, until the Effective Time occurs, neither the Company nor any of its Subsidiaries shall (A) be required to pay any fees, expenses or other amounts in connection with the Financing, (B) have any liability or obligation under any loan agreement or any related document or any other agreement or document related to the Financing or (C) be required to incur any liability in connection with the Financing contemplated by the Commitment Letter; and provided, further, that the cooperation and actions required by the Company pursuant to this Section 7.12 shall not be required to be taken if any such cooperation or act (x) causes any representations or warranties of the Company in this Agreement to be breached, or (y) otherwise causes a breach of this Agreement; and provided, further, that in no event shall any failure of the Company to provide any required cooperation or take any required action pursuant to this Section

7.12 be deemed to have caused any condition to Closing set forth in Article VIII to fail to be satisfied, other than an intentional and material failure of the Company to provide such cooperation or take material action. For the avoidance of doubt, the Board of Directors of the Company and each of its Subsidiaries, in each case as constituted prior to the Effective Time, shall not be required to adopt any resolutions or take any other action in connection with the authorization of any of the Financing other than to approve regulatory filings relating to the Company and its Subsidiaries in connection therewith.

(i) All material non-public information regarding the Company and its Subsidiaries provided to Parent, Amalgamation Sub and their respective representatives pursuant to this Section 7.12 shall be kept confidential by them in accordance with the Confidentiality Agreement. The Company hereby consents to the use of all of its and its Subsidiaries' logos in connection with the Financing; provided that such logos are used solely in a manner that is not intended to nor is reasonably likely to harm or disparage the Company or any of its Subsidiaries, the reputation or goodwill of the Company or any of its Subsidiaries or any of their assets, including their logos and marks.

(j) Parent shall, promptly upon written request by the Company, reimburse the Company for all reasonable and documented out-of-pocket costs and expenses (including without limitation professional fees and expenses of accountants, legal counsel and other advisors) to the extent such costs are incurred by the Company or its Subsidiaries in connection with such cooperation provided by the Company, its Subsidiaries, their respective officers, employees and other representatives pursuant to the terms of Section 7.12(h), or in connection with compliance with its obligations under Section 7.12(h), and Parent hereby agrees to indemnify and hold harmless the Company and its Subsidiaries and their respective officers, employees, agents and representatives from and against any and all liabilities or losses suffered or incurred by them in connection with the arrangement of the Financing, any information utilized in connection therewith (other than arising from information provided by the Company or its Subsidiaries but including violation of the Confidentiality Agreement) and any misuse of the logos or marks of the Company or its Subsidiaries, except (i) in the event such liabilities or losses arose out of or result from the willful misconduct of the Company, any of its Subsidiaries or any of their respective representatives or (ii) as provided in Section 9.2 with respect to the Company's payment of the Parent Financing Expenses.

## ARTICLE VIII.

### CONDITIONS PRECEDENT

**Section 8.1. Conditions to Each Party's Obligation to Effect the Amalgamation.** The obligations of the Company, Parent and Amalgamation Sub to effect the Amalgamation are subject to the satisfaction or waiver on or prior to the Closing Date of the following conditions:

(a) Company Stockholder Approval. The Company shall have obtained the Required Company Vote in connection with the approval and adoption of this Agreement, the Amalgamation Agreement and the Amalgamation by the shareholders of the Company.



(b) Parent Stockholder Approval. Parent shall have obtained the Required Parent Vote in connection with the approval of the Parent Share Issuance and the approval and adoption of the Parent Charter Amendment by the stockholders of Parent.

(c) No Injunctions or Restraints, Illegality. No statute, rule, regulation, executive order, decree or ruling, shall have been adopted or promulgated, and no temporary restraining order, preliminary or permanent injunction or other order issued by a court or other U.S. governmental authority of competent jurisdiction shall be in effect, having the effect of making the Amalgamation illegal or otherwise prohibiting consummation of the Amalgamation; provided, however, that the provisions of this Section 8.1(c) shall not be available to any party whose failure to fulfill its obligations pursuant to Section 7.3 shall have been the cause of, or shall have resulted in, such order or injunction.

(d) Antitrust and Competition Laws. The waiting period (and any extension thereof) applicable to the Amalgamation and the other transactions contemplated pursuant to this Agreement under the HSR Act shall have been terminated or shall have expired, and all waiting period expirations or terminations, consents, clearances, waivers, licenses, orders, registrations, approvals, permits, and authorizations necessary or advisable under other applicable antitrust, competition or similar laws of other jurisdictions set forth on Schedule 8.1(d), shall have been obtained.

(e) FCC Approvals. All approvals from the FCC required to consummate the transactions contemplated by this Agreement and the Amalgamation Agreement shall have been obtained and shall be in full force and effect on the Closing Date.

(f) Governmental Entity Consents and Approvals. All consents, waivers, authorizations and approvals of any Governmental Entity required in connection with the execution, delivery and performance of this Agreement and the Amalgamation Agreement and the other transactions contemplated hereby and thereby and set forth on Schedule 8.1(f) shall have been duly obtained and shall be in full force and effect on the Closing Date.

(g) CFIUS. Any review or investigation by CFIUS shall have been concluded, and either (i) the Company and Parent or their respective counsel shall have received written notice that a determination by CFIUS has been made that there are no issues of national security of the United States sufficient to warrant further review or investigation pursuant to Section 721 of the Defense Production Act, as amended, or (ii) the President of the United States shall not have acted pursuant to Section 721 of the Defense Production Act, as amended, to suspend or prohibit the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement, and the applicable period of time for the President to take such action shall have expired.

(h) Parent Charter Amendment. The Parent Charter Amendment shall have been duly filed with the Secretary of State of the State of Delaware.

(i) Nasdaq Listing. The shares of Parent Common Stock to be issued in the Amalgamation and the shares of Parent Common Stock to be reserved for issuance upon exercise of Rollover Options shall have been approved for quotation or listing, as the case may be, on the

Nasdaq Global Select Market System (or any successor inter-dealer quotation system or stock exchange thereto) subject to official notice of issuance.

(j) Effectiveness of the Registration Statement . The Registration Statement shall have been declared effective by the SEC under the Securities Act. No stop order suspending the effectiveness of the Registration Statement shall have been issued by the SEC and no proceedings for that purpose shall have been initiated or threatened by the SEC.

**Section 8.2. Additional Conditions to Obligations of Parent and Amalgamation Sub** . The obligations of Parent and Amalgamation Sub to effect the Amalgamation are subject to the satisfaction, or waiver by Parent, on or prior to the Closing Date, of the following additional conditions:

(a) Representations and Warranties . (i) The representations and warranties of the Company contained in Section 3.6 (Capitalization and Related Matters) and Section 3.29 (Vote Required) shall be true and correct in all respects (except, in the case of Section 3.6 for such inaccuracies as are de minimis in the aggregate), in each case both when made and at and as of the Closing Date, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date), (ii) the representations and warranties of the Company contained in Section 3.9(a)(i) (Absence of Certain Changes or Events) shall be true and correct in all respects both when made and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date), and (iii) all other representations and warranties of the Company set forth in this Agreement shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date), except, in the case of this clause (iii), where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to “materiality” or “Company Material Adverse Effect” set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Parent shall have received a certificate of an executive officer of the Company to such effect.

(b) Performance of Obligations of the Company . The Company shall have performed in all material respects and complied in all material respects with all agreements and covenants required to be performed or complied with by it under this Agreement at or prior to the Closing Date. Parent shall have received a certificate of an executive officer of the Company to such effect.

(c) Company Material Adverse Effect . No Company Material Adverse Effect shall have occurred after the date hereof.

(d) Tax Opinion . Parent shall have received from Willkie Farr & Gallagher LLP, counsel to Parent, on the Closing Date, a written opinion dated as of such date in form and substance reasonably satisfactory to Parent, to the effect that, on the basis of certain facts, representations and assumptions set forth in such opinion, for U.S. federal income tax purposes, the Amalgamation will be treated as a reorganization qualifying under Section 368(a) of the Code. In rendering such opinion, counsel to Parent shall be entitled to rely upon (i) the opinion of

Bermuda counsel referred to in Section 7.10(b)(iii) and (ii) representations of officers of Parent, Amalgamation Sub and the Company substantially in the form of Exhibits C-1 and C-2 (allowing for such amendments to the representations as counsel to Parent deems necessary). The condition set forth in this Section 8.2(d) shall not be waivable after receipt of the approval and adoption of this Agreement by the stockholders of Parent unless further stockholder approval is obtained with appropriate disclosure.

**Section 8.3. Additional Conditions to Obligations of the Company.** The obligations of the Company to effect the Amalgamation are subject to the satisfaction of, or waiver by the Company, on or prior to the Closing Date of the following additional conditions:

(a) Representations and Warranties. (i) The representations and warranties of Parent contained in Section 4.28 (Vote Required) shall be true and correct in all respects, (ii) the representations and warranties of Parent and Amalgamation Sub contained in Section 4.9(a)(i) (Absence of Certain Changes or Events) shall be true and correct in all respects both when made and at and as of the Closing Date (except to the extent expressly made as of an earlier date, in which case as of such date), and (iii) all other representations and warranties of Parent and Amalgamation Sub set forth in this Agreement shall be true and correct both when made and at and as of the Closing Date, as if made at and as of such time (except to the extent expressly made as of an earlier date, in which case as of such date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitation as to “materiality” or “Parent Material Adverse Effect” set forth therein) does not have, and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. The Company shall have received a certificate of an executive officer of Parent to such effect.

(b) Performance of Obligations of Parent. Parent shall have performed in all material respects and complied in all material respects with all agreements and covenants required to be performed or complied with by it under this Agreement at or prior to the Closing Date. The Company shall have received a certificate of an executive officer of Parent to such effect.

(c) Parent Material Adverse Effect. No Parent Material Adverse Effect shall have occurred after the date hereof.

(d) Tax Opinion. The Company shall have received from Latham & Watkins LLP, counsel to the Company, on the Closing Date, a written opinion dated as of such date in form and substance reasonably satisfactory to the Company, to the effect that, on the basis of certain facts, representations and assumptions set forth in such opinion, for U.S. federal income tax purposes, the Amalgamation will be treated as a reorganization qualifying under Section 368(a) of the Code. In rendering such opinion, counsel to the Company shall be entitled to rely upon (i) the opinion of Bermuda counsel referred to in Section 7.10(b)(iii) and (ii) representations of officers of Parent, Amalgamation Sub and the Company substantially in the form of Exhibits C-1 and C-2 (allowing for such amendments to the representations as counsel to the Company deems necessary). The condition set forth in this Section 8.3(d) shall not be waivable after receipt of the approval and adoption of this Agreement by the shareholders of the Company unless further shareholder approval is obtained with appropriate disclosure.

## ARTICLE IX.

### TERMINATION

**Section 9.1. Termination.** This Agreement may be terminated at any time prior to the Effective Time, by action taken or authorized by the Board of Directors of the terminating party or parties, and except as provided below, whether before or after approval of the matters presented in connection with the Amalgamation by the shareholders of the Company or Parent:

- (a) By mutual written consent of Parent and the Company, by action of their respective Boards of Directors;
- (b) By either the Company or Parent if the Effective Time shall not have occurred on or before April 10, 2012 (the “Termination Date”); provided, however, that the right to terminate this Agreement under this Section 9.1(b) shall not be available to any party whose failure to fulfill any obligation under this Agreement has been the primary cause of the failure of the Effective Time to occur on or before the Termination Date and such action or failure to perform constitutes a breach of this Agreement;
- (c) By either the Company or Parent if any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting or making illegal the transactions contemplated by this Agreement and the Amalgamation Agreement, and such order, decree, ruling or other action shall have become final and nonappealable; provided that the party hereto seeking to terminate this Agreement pursuant to this Section 9.1(c) shall have used its commercially reasonable efforts to remove such restraint or prohibition as required by this Agreement; and provided, further, that the right to terminate this Agreement pursuant to this Section 9.1(c) shall not be available to any party hereto whose breach of any provision of this Agreement results in the imposition of such order, decree or ruling or the failure of such order, decree or ruling to be resisted, resolved or lifted;
- (d) By either the Company or Parent if (i) the approval by the shareholders of the Company required for the consummation of the Amalgamation shall not have been obtained by reason of the failure to obtain the Required Company Vote at the Company Stockholders Meeting (or any adjournment or postponement thereof) or (ii) the approval by the stockholders of Parent required for the Parent Share Issuance and the Parent Charter Amendment shall not have been obtained by reason of the failure to obtain the Required Parent Vote at the Parent Stockholders Meeting (or any adjournment or postponement thereof);
- (e) By Parent (i) prior to the Company Stockholders Meeting, if there shall have been a Company Change in Recommendation or the Board of Directors of the Company shall have approved or recommended a Company Superior Proposal (or the Board of Directors of the Company resolves to do any of the foregoing), whether or not permitted by Section 7.4, (ii) if the Company shall fail to call or hold the Company Stockholders Meeting in accordance with Section 7.1(c) or (iii) if the Company shall have willfully and materially breached any of its material obligations under Section 7.4;

(f) By the Company (i) prior to the Parent Stockholders Meeting, if there shall have been a Parent Change in Recommendation or the Board of Directors of Parent shall have approved or recommended a Parent Acquisition Proposal (or the Board of Directors of Parent resolves to do any of the foregoing), whether or not permitted by Section 7.4, (ii) if Parent shall fail to call or hold the Parent Stockholders Meeting in accordance with Section 7.1(d); or (iii) if Parent shall have willfully and materially breached any of its material obligations under Section 7.4;

(g) By the Company, pursuant to Section 7.4(c), subject to compliance with the applicable provisions of Section 7.4(c), Section 7.4(d) and Section 7.4(e);

(h) By Parent, pursuant to Section 7.4(h), subject to compliance with the applicable provisions of Section 7.4(h), Section 7.4(i) and Section 7.4(j);

(i) (x) By the Company or Parent if all the conditions set forth in Sections 8.1 and 8.2 (in the case of a termination by the Company) and Sections 8.1 and 8.3 (in the case of a termination by Parent) have been satisfied (other than those conditions that by their nature are to be satisfied at Closing provided that such conditions are reasonably capable of being satisfied at Closing) and Parent has failed to obtain proceeds pursuant to the Commitment Letter (or any Alternative Financing) sufficient to fund the payment of the Required Refinancing Indebtedness, including premiums and fees in connection therewith, and consummate the transactions contemplated hereby by the end of the Marketing Period or (y) by the Company if all the conditions set forth in Sections 8.1 and 8.2 have been satisfied (other than those conditions that by their nature are to be satisfied at Closing provided that such conditions are reasonably capable of being satisfied at Closing) and Parent has failed to obtain proceeds pursuant to the Commitment Letter (or any Alternative Financing) sufficient to fund the payment of the Required Refinancing Indebtedness, including premiums and fees in connection therewith, and consummate the transactions contemplated hereby by the end of the Marketing Period and such failure was caused by (1) Parent's willful and material breach of its obligations under Section 7.12 of this Agreement or its obligations under the Commitment Letter or any definitive documentation in respect of the Financing or Alternative Financing or (2) by a Financing Source's willful and material breach of its obligations under the Commitment Letter or any definitive documentation in respect of the Financing or Alternative Financing;

(j) By the Company if there shall have been a breach of any representation, warranty, covenant or agreement on the part of Parent or Amalgamation Sub contained in this Agreement (other than any breach of Section 4.24 or 7.12) such that the conditions set forth in Section 8.3(a) or Section 8.3(b) would not be satisfied and (i) such breach is not reasonably capable of being cured or (ii) in the case of a breach of a covenant or agreement (other than an intentional breach of Parent's obligations under Article I), if such breach is reasonably capable of being cured, such breach shall not have been cured prior to the earlier of (A) 30 days following notice of such breach and (B) the Termination Date; provided that the Company shall not have the right to terminate this Agreement pursuant to this Section 9.1(j) if the Company is then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement; or

(k) By Parent if there shall have been a breach of any representation, warranty, covenant or agreement on the part of the Company contained in this Agreement such that the conditions set forth in Section 8.2(a) or Section 8.2(b) would not be satisfied and (i) such breach is not reasonably capable of being cured or (ii) in the case of a breach of a covenant or agreement, if such breach is reasonably capable of being cured, such breach shall not have been cured prior to the earlier of (A) 30 days following notice of such breach and (B) the Termination Date; provided that Parent shall not have the right to terminate this Agreement pursuant to this Section 9.1(k) if Parent or Amalgamation Sub is then in material breach of any of its representations, warranties, covenants or agreements contained in this Agreement.

**Section 9.2. Effect of Termination .**

(a) In the event of termination of this Agreement by either the Company or Parent as provided in Section 9.1, this Agreement shall forthwith become void and there shall be no liability or obligation on the part of Parent or the Company or their respective officers or directors except with respect to this Section 9.2, Section 7.12(j) and Article X, provided that, except as set forth in the following sentence, termination of this Agreement shall not relieve any party from any liability or damages incurred or suffered by a party (which the parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and may include, to the extent proven, the benefit of the bargain lost by a party or such party's shareholders (notwithstanding anything to the contrary in Section 10.9), which shall be deemed in such event to be damages of such party in a claim brought directly by such party) to the extent such liability or damages were the result of, fraud or any willful or intentional breach of any covenant or agreement or willful or intentional breach of any representation or warranty in this Agreement occurring prior to termination. Each party agrees that notwithstanding anything in this Agreement to the contrary, including Section 10.4(a), in the event that any Company Termination Fee, Parent Termination Fee, Financing Fee or Supplemental Financing Fee is payable to a party in accordance with this Agreement, the payment of such fee and any applicable expenses shall be the sole and exclusive remedy of such party, its Subsidiaries, shareholders, Affiliates, officers, directors, employees and representatives against the other party or any of its representatives (including, with respect to Parent and Amalgamation Sub, any Financing Source) or Affiliates for, and in no event will such party being paid any such fee and expenses or any other such person seek to recover any other money damages or seek any other remedy based on a claim in law or equity (including, without limitation, specific performance) with respect to, (i) any loss suffered, directly or indirectly, as a result of the failure of the Amalgamation to be consummated, (ii) the termination of this Agreement, (iii) any liabilities or obligations arising under this Agreement, or (iv) any claims or actions arising out of or relating to any breach, termination or failure of or under this Agreement (including with respect to a termination that results in the payment of the Financing Fee or Supplemental Financing Fee with respect to or as a result of any failure to obtain the proceeds of the Financing or any Alternative Financing), and upon payment of any Company Termination Fee, Parent Termination Fee, Financing Fee or Supplemental Financing Fee, and any applicable expenses, in accordance with this Agreement, neither the party paying such fee and such expenses, nor any representative (including, with respect to Parent and Amalgamation Sub, any Financing Source) or Affiliate of such party shall have any further liability or obligation to the other party relating to or arising out of this Agreement or the transactions contemplated hereby.

(b) If Parent shall terminate this Agreement pursuant to Section 9.1(e), then the Company shall pay to Parent, not later than two Business Days following such termination, an amount equal to Fifty Million Dollars (\$50,000,000) (the “Company Termination Fee”) plus the Parent Expenses, within two Business Days after delivery to the Company of written notice of the amount of such Parent Expenses.

(c) If (i) the Company or Parent shall terminate this Agreement pursuant to Section 9.1(b) or Section 9.1(d)(i), (ii) at or prior to the time of the Company Stockholders Meeting there shall have been publicly disclosed or announced a bona fide written Company Acquisition Proposal that shall not have been publicly withdrawn at least five Business Days prior to the Company Stockholders Meeting and (iii) within 12 months following the termination of this Agreement, the Company enters into a definitive agreement with respect to, or consummates, a Company Acquisition Proposal, then the Company shall pay to Parent, not later than two Business Days after the execution of the definitive agreement or consummation of the transaction, as applicable, the Company Termination Fee plus Parent Expenses (except to the extent the Company has previously paid any such Parent Expenses).

(d) If the Company shall terminate this Agreement pursuant to Section 9.1(f), Parent shall pay to the Company, not later than two Business Days after the termination of the Agreement, an amount equal to Seventy Million Dollars (\$70,000,000) (the “Parent Termination Fee”) plus the Company Expenses.

(e) If (i) the Company or Parent shall terminate this Agreement pursuant to Section 9.1(b) or Section 9.1(d)(ii), (ii) at or prior to the time of the Parent Stockholders Meeting there shall have been publicly disclosed or announced a bona fide written Parent Acquisition Proposal that shall not have been publicly withdrawn at least five Business Days prior to the Parent Stockholders Meeting and (iii) within 12 months following the termination of this Agreement, Parent enters into a definitive agreement with respect to, or consummates, a Parent Acquisition Proposal, then Parent shall pay to the Company, not later than two Business Days after the execution of the definitive agreement or consummation of the transaction, as applicable, the Parent Termination Fee plus the Company Expenses (except to the extent Parent has previously paid the Company Expenses).

(f) If the Company shall terminate this Agreement pursuant to Section 9.1(g), then the Company shall pay, or cause to be paid, to Parent the Company Termination Fee plus the Parent Expenses contemporaneously with such termination.

(g) If Parent shall terminate this Agreement pursuant to Section 9.1(h), then Parent shall pay, or cause to be paid, to the Company the Parent Termination Fee plus the Company Expenses contemporaneously with such termination.

(h) If the Company or Parent terminates this Agreement pursuant to Section 9.1(i)(x), then Parent shall pay to the Company, not later than two (2) Business Days after the termination of this Agreement, Seventy Million Dollars (\$70,000,000) (the “Financing Fee”) minus 50% of the Parent Financing Expenses.

(i) (a) If the Company terminates this Agreement pursuant to Section 9.1(i)(y)(1), then Parent shall pay to the Company, not later than two (2) Business Days after the termination of this Agreement, One Hundred Twenty Million Dollars (\$120,000,000) (the “Supplemental Financing Fee”); and (b) if the Company terminates this Agreement pursuant to Section 9.1(i)(y)(2), then Parent shall pay to the Company, not later than two (2) Business Days after the termination of this Agreement, the Supplemental Financing Fee minus 50% of the Parent Financing Expenses; provided, that (A) Parent shall only be obligated to pay to the Company an amount equal to the Financing Fee minus 50% of the Parent Financing Expenses unless the Company receives aggregate payments (other than any amounts representing a reimbursement of Parent Financing Expenses) in excess of an amount equal to the Financing Fee from one or more Financing Sources (x) in settlement of claims arising out of such Financing Source’s willful and material breach of its obligations under the Commitment Letters or any definitive documentation in respect of the Financing or Alternative Financing and/or (y) pursuant to a final non-appealable judgment of a court of competent jurisdiction with respect to such claims, in which case, Parent shall promptly pay to the Company an amount equal to such excess until Parent shall have paid the Company an aggregate amount equal to the Supplemental Financing Fee minus 50% of the Parent Financing Expenses and (B) Parent shall not be entitled to subtract 50% of the Parent Financing Expenses from the Financing Fee or Supplemental Financing Fee unless it has first sought reimbursement of the Parent Financing Expenses from such Financing Sources (including by bringing a claim against such Financing Sources).

(j) If the Company or Parent shall terminate this Agreement pursuant to Section 9.1(d)(ii), then Parent shall pay to the Company, not later than two Business Days after the termination of this Agreement, the Company Expenses.

(k) If the Company or Parent shall terminate this Agreement pursuant to Section 9.1(d)(i), then the Company shall pay to Parent, not later than two Business Days after the termination of this Agreement, the Parent Expenses.

(l) If (i) (a) the Company or Parent shall terminate this Agreement pursuant to Section 9.1(b) and (b) at the time of such termination, all of the conditions set forth in Sections 8.1, 8.2 and 8.3 shall have been satisfied or waived other than (x) those conditions that by their terms are to be satisfied at the Closing, provided that such conditions shall have been capable of being satisfied as of the date of termination of this Agreement and (y) a Regulatory Condition, or (ii) the Company or Parent shall terminate this Agreement pursuant to Section 9.1(c), then the Company shall pay to Parent, not later than two (2) Business Days after such termination, 50% of the Parent Financing Expenses.

(m) If (i) Parent shall terminate this Agreement pursuant to Section 9.1(b) and (ii) at the time of such termination, all of the conditions set forth in Sections 8.1, 8.2 and 8.3 shall have been satisfied or waived, other than the condition set forth in Section 8.2(a) or 8.2 (c), then the Company shall pay to Parent, not later than two (2) Business Days after such termination, the Parent Financing Expenses.

(n) All payments under this Section 9.2 by (i) the Company shall be made by wire transfer of immediately available funds to an account designated by Parent, and (ii) Parent



shall be made by wire transfer of immediately available funds to an account designated by the Company.

(o) For purposes of this Section 9.2, the term “Company Acquisition Proposal” shall have the meaning assigned to such term in Section 7.4(a), except that the reference to “more than 20%” in the definition of “Company Acquisition Proposal” shall be deemed to be a reference to “more than 50%”, and the term “Parent Acquisition Proposal” shall have the meaning assigned to such term in Section 7.4(f), except that the reference to “more than 20%” in the definition of “Parent Acquisition Proposal” shall be deemed to be a reference to “more than 50%”.

(p) The Company acknowledges that the agreements contained in this Section 9.2 are an integral part of the transactions contemplated by this Agreement and the Amalgamation Agreement and are not a penalty, and that, without these agreements, Parent would not enter into this Agreement and the Amalgamation Agreement. If the Company fails to pay promptly the amounts due pursuant to this Section 9.2, the Company will also pay to Parent Parent’s reasonable costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the unpaid amount under this Section 9.2, accruing from its due date, at an interest rate per annum equal to two percentage points in excess of the prime commercial lending rate quoted by The Wall Street Journal. Any change in the interest rate hereunder resulting from a change in such prime rate will be effective at the beginning of the date of such change in such prime rate. For the avoidance of doubt, in no event shall the Company be required to pay or cause to be paid under this Section 9.2 the Company Termination Fee more than once.

(q) Parent acknowledges that the agreements contained in this Section 9.2 are an integral part of the transactions contemplated by this Agreement and the Amalgamation Agreement and are not a penalty, and that, without these agreements, the Company would not enter into this Agreement and the Amalgamation Agreement. If Parent fails to pay promptly the amounts due pursuant to this Section 9.2, Parent will also pay to the Company the Company’s reasonable costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, taken to collect payment, together with interest on the unpaid amount under this Section 9.2, accruing from its due date, at an interest rate per annum equal to two percentage points in excess of the prime commercial lending rate quoted by The Wall Street Journal. Any change in the interest rate hereunder resulting from a change in such prime rate will be effective at the beginning of the date of such change in such prime rate. For the avoidance of doubt, in no event shall Parent be required to pay or cause to be paid under this Section 9.2 (i) the Parent Termination Fee more than once, (ii) the Financing Fee more than once, (iii) the Supplemental Financing Fee more than once or (iv) more than one of the Parent Termination Fee, the Financing Fee and the Supplemental Financing Fee.

**Section 9.3. Amendment.** This Agreement may be amended by the parties hereto, by action taken or authorized by their respective Boards of Directors, at any time before or after approval of the matters presented in connection with the Amalgamation by the stockholders of the Company or Parent, but, after any such approval, no amendment shall be made which by law requires further approval by such shareholders or which reduces the Amalgamation Consideration or adversely affects the holders of Company Common Shares or

Convertible Preferred Stock, without approval by the shareholders. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the parties hereto.

**Section 9.4.      Extension; Waiver .** At any time prior to the Effective Time, the parties hereto, by action taken or authorized by their respective Boards of Directors, may, to the extent legally allowed, (i) extend the time for the performance of any of the obligations or other acts of the other parties hereto, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (iii) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a party hereto to any such extension or waiver shall be valid only if set forth in a written instrument signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights.

## **ARTICLE X.**

### **MISCELLANEOUS**

**Section 10.1.      Non-Survival of Representations, Warranties and Agreements .** None of the representations, warranties, covenants and other agreements in this Agreement or in any instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such representations, warranties, covenants and other agreements, shall survive the Effective Time, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Effective Time and this Article X.

**Section 10.2.      Disclosure Schedules .**

(a)      The inclusion of any information in the Disclosure Schedules accompanying this Agreement will not be deemed an admission or acknowledgment, in and of itself, solely by virtue of the inclusion of such information in such Disclosure Schedule, that such information is required to be listed in such Disclosure Schedule or that such information is material to any party or the conduct of the business of any party.

(b)      Any item set forth in the Disclosure Schedules with respect to a particular representation, warranty or covenant contained in the Agreement will be deemed to be disclosed with respect to all other applicable representations, warranties and covenants contained in the Agreement to the extent any description of facts regarding the event, item or matter is disclosed in such a way as to make readily apparent from such description or specified in such disclosure that such item is applicable to such other representations, warranties or covenants whether or not such item is so numbered.

**Section 10.3.      Successors and Assigns .** No party hereto shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other parties hereto and any such attempted assignment without such prior written consent shall be void and of no force and effect; provided, however, that Amalgamation Sub may assign its rights and obligations under this Agreement to another direct wholly owned Bermuda subsidiary of Parent without the consent of the Company. This Agreement shall inure to the benefit of and

shall be binding upon the successors and permitted assigns of the parties hereto. No assignment or purported assignment of this Agreement by any party hereto shall be valid if and to the extent such assignment affects the treatment of the Amalgamation under Section 368(a) of the Code and the Treasury Regulations promulgated thereunder.

**Section 10.4. Governing Law; Jurisdiction; Specific Performance .**

(a) THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. The parties hereby irrevocably submit to the jurisdiction of the courts of the State of New York and the Federal courts of the United States of America located in the State of New York solely in respect of the interpretation and enforcement of the provisions of this Agreement and of the documents referred to in this Agreement (other than the Amalgamation Agreement, which shall be interpreted, construed, governed and enforced as set forth therein), and in respect of the transactions contemplated hereby, and hereby waive, and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document (other than the Amalgamation Agreement, which shall be interpreted, construed, governed and enforced as set forth therein), that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement or any such document (other than the Amalgamation Agreement, which shall be interpreted, construed, governed and enforced as set forth therein) may not be enforced in or by such courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in such a New York State or Federal court. The parties hereby consent to and grant any such court jurisdiction over the person of such parties and, to the extent permitted by applicable law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in this Section 10.4 or in such other manner as may be permitted by law shall be valid and sufficient service thereof. Each of the parties to this Agreement agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against the Financing Sources in any way relating to this Agreement or any of the transactions contemplated by this Agreement, including but not limited to any dispute arising out of or relating in any way to the Commitment Letter, the Financing (or any commitment letter relating to any Alternative Financing) or the performance thereof, in any forum other than any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan, and any appellate court from any thereof.

(b) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING, BUT NOT LIMITED TO, ANY DISPUTE ARISING OUT OF, OR RELATING TO, THE COMMITMENT LETTER OR THE FINANCING OR THE PERFORMANCE THEREOF. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO

REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (II) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (III) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (IV) IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 10.4(b).

(c) The parties agree that irreparable damage would occur and that the parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement (in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative, except, in each case, as may be limited by Section 9.2). Any requirements for the securing or posting of any bond with such remedy are waived. Notwithstanding the foregoing or any other provision of this Agreement, the parties acknowledge and agree that (a) the Company shall be entitled to (i) enforce specifically the obligations of Parent or Amalgamation Sub under the Agreement to consummate the transactions contemplated hereunder only in the case that (A) all of the conditions set forth in Section 8.1 and Section 8.2 shall have been satisfied or waived, (B) the Marketing Period has expired and (C) the proceeds of the Financing are then available in full pursuant to the Commitment Letter (or pursuant to Alternative Financing), (ii) enforce specifically Parent's obligations to pay the Company Expenses and the Parent Termination Fee, Financing Fee or Supplemental Financing Fee, as applicable, pursuant to, and under the conditions specified by, Section 9.2, and its obligations in respect of the expenses incurred pursuant to Section 7.12 and (iii) to enforce and to prevent any breach by Parent of its covenants under this Agreement (including under Section 7.12) (other than the obligations of Parent or Amalgamation Sub under the Agreement to consummate the transactions contemplated hereunder, except as provided in clause (i) above) and (b) Parent shall be entitled to enforce specifically the Company's obligation to pay the Company Termination Fee and the Parent Expenses pursuant to, and under the conditions specified by, Section 9.2.

**Section 10.5. Expenses.** All fees and expenses incurred in connection with the Amalgamation including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the Amalgamation Agreement and the transactions contemplated hereby and thereby, shall be the obligation of the respective party incurring such fees and expenses, except (a) Parent and the Company shall each bear and pay one-half of the expenses incurred in connection with the filing, printing and mailing of the Registration Statement and Joint Proxy Statement/Prospectus, (b) as provided in Section 7.12, and (c) as provided in Section 9.2.

**Section 10.6. Severability; Construction.**

(a) In the event that any part of this Agreement is declared by any court or other judicial or administrative body to be null, void or unenforceable, said provision shall survive to the extent it is not so declared, and all of the other provisions of this Agreement shall remain in full force and effect.

(b) The parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement.

(c) All references to "\$" or USD herein shall be references to U.S. Dollars.

**Section 10.7. Notices.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (i) on the date of service if served personally on the party to whom notice is to be given; (ii) on the day after delivery to Federal Express or similar overnight courier or the Express Mail service maintained by the United States Postal Service; or (iii) on the fifth day after mailing, if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed, to the party as follows:

If to the Company:

Global Crossing Limited  
200 Park Avenue  
Florham Park, New Jersey 07932  
Attn: John McShane, Office of the General Counsel  
Fax: (973) 360-0538

Copy to (such copy not to constitute notice):

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attn: James C. Gorton  
David S. Allinson

If to Parent or Amalgamation Sub:

Level 3 Communications, Inc.  
1025 Eldorado Blvd.  
Broomfield, CO 80303  
Attention: John M. Ryan, Executive Vice President, Chief Legal Officer and Secretary  
Fax: 720-888-5127

Copy to (such copy not to constitute notice):

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Attn: David K. Boston  
Laura L. Delanoy

Any party may change its address for the purpose of this Section 10.7 by giving the other party written notice of its new address in the manner set forth above.

**Section 10.8. Entire Agreement.** This Agreement, the Amalgamation Agreement and the Confidentiality Agreement contain the entire understanding among the parties hereto with respect to the transactions contemplated hereby and supersede and replace all prior and contemporaneous agreements and understandings, oral or written, with regard to such transactions. All Exhibits and Schedules hereto and any documents and instruments delivered pursuant to any provision hereof are expressly made a part of this Agreement as fully as though completely set forth herein.

**Section 10.9. Parties in Interest.** Except for (i) the rights of the Company shareholders to receive the Amalgamation Consideration (following the Effective Time) in accordance with the terms of this Agreement (of which the shareholders are the intended beneficiaries following the Effective Time), (ii) the rights to continued indemnification and insurance pursuant to Section 6.3 hereof (of which the Persons entitled to indemnification or insurance, as the case may be, are the intended beneficiaries following the Effective Time) and (iii) the rights of the Financing Sources in Sections 9.2, 10.4(a) and 10.4(b) hereof (of which the Financing Sources and their respective successors and assigns are intended beneficiaries and shall be entitled to enforce), nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any Persons other than the parties hereto and their respective successors and permitted assigns. Nothing in this Agreement is intended to relieve or discharge the obligations or liability of any third Persons to the Company or Parent. No provision of this Agreement shall give any third parties any right of subrogation or action over or against the Company or Parent.

**Section 10.10. Section and Paragraph Headings.** The section and paragraph headings in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

**Section 10.11. Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute the same instrument.

**Section 10.12. Definitions.** As used in this Agreement:

“Affiliate” shall mean, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person.

“Agreement” shall have the meaning set forth in the Preamble hereto.

“ Alternative Financing ” shall have the meaning set forth in Section 7.12(b).

“ Amalgamated Company ” shall have the meaning set forth in Section 1.1.

“ Amalgamation ” shall have the meaning set forth in the Recitals hereto.

“ Amalgamation Agreement ” shall have the meaning set forth in the Recitals hereto.

“ Amalgamation Application ” shall have the meaning set forth in Section 1.3.

“ Amalgamation Consideration ” shall have the meaning set forth in Section 1.8(a).

“ Amalgamation Sub ” shall have the meaning set forth in the Preamble hereto.

“ Anticorruption Laws ” shall have the meaning set forth in Section 3.31(a).

“ Board of Directors ” shall mean the Board of Directors of any specified Person and any committees thereof.

“ Business Day ” shall mean any day other than (a) Saturday or Sunday or (b) any other day on which banks in the City of New York (or, for purposes of Section 1.2 only, in Hamilton, Bermuda) are permitted or required to be closed.

“ Bye-laws ” shall have the meaning set forth in Section 1.6.

“ Certificates ” shall have the meaning set forth in Section 1.8(c).

“ CFIUS ” shall have the meaning set forth in Section 3.4.

“ Closing ” shall have the meaning set forth in Section 1.2.

“ Closing Date ” shall have the meaning set forth in Section 1.2.

“ Code ” shall have the meaning set forth in the Recitals hereto.

“ Commitment Letter ” means that certain Commitment Letter (together with all annexes, exhibits, schedules, appendices and other attachments thereto), dated the date hereof, by and between Parent and the Financing Sources, pursuant to which and subject to the terms and conditions thereof, the Financing Sources has agreed to provide the loans or other indebtedness identified therein in the amounts set forth therein, for the purpose of (among other things) funding, in part, the payment of the Required Refinancing Indebtedness, including premiums and fees incurred in connection therewith, and facilitating the consummation of the Amalgamation; provided that, after the date of this Agreement, (i) upon any amendment, supplement or modification to, or waiver of, the Commitment Letter in accordance with the last sentence of Section 7.12(a), the term “Commitment Letter” as used in this Agreement shall mean the Commitment Letter as so amended, supplemented, modified or waived in accordance with Section 7.12(a) from and after the time Parent has delivered to the Company a true, correct and

complete copy of such amended, supplemented, modified or waived Commitment Letter and (ii) in the event that Parent obtains Alternative Financing in accordance with Section 7.12(b), the term “Commitment Letter” shall mean the commitment letter or letters (as amended, supplemented or modified in accordance with Section 7.12) related to the Alternative Financing from and after the time Parent has delivered to the Company a true, correct and complete copy of such alternative commitment letter or letters; provided further that, with respect to the representations and warranties of Parent set forth in Section 4.24, references to the Commitment Letter as of the date hereof shall thereafter mean the Commitment Letter as so amended, supplemented, waived, modified or replaced on the date so provided to and approved by the Company.

“ Communications Act ” shall have the meaning set forth in Section 3.14(b).

“ Companies Act ” shall have the meaning set forth in the Recitals hereto.

“ Company ” shall have the meaning set forth in the Preamble hereto.

“ Company Acquisition Proposal ” shall have the meaning set forth in Section 7.4(a).

“ Company Alternative Acquisition Agreement ” shall have the meaning set forth in Section 7.4(c).

“ Company Benefit Plans ” shall mean each “employee benefit plan” (within the meaning of Section 3(3) of ERISA) and all other material employee compensation and benefits plans, policies, programs, arrangements or payroll practices, including multiemployer plans (within the meaning of Section 3(37) of ERISA), and each other stock purchase, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related award agreements and any related funding mechanism now in effect or required in the future), in each case sponsored, maintained, contributed or required to be contributed to by the Company or its Subsidiaries or under which the Company or any of its Subsidiaries has any current or potential liability.

“ Company Change in Recommendation ” shall have the meaning set forth in Section 7.4(c).

“ Company Common Share ” shall have the meaning set forth in the Recitals hereto.

“ Company Defined Contribution Plan ” shall have the meaning set forth in Section 6.2(d).

“ Company Disclosure Schedule ” shall mean the disclosure schedule delivered by the Company on the date hereof.



“Company Expenses” shall mean all of the Company’s actual and reasonably documented out-of-pocket fees and expenses (including fees and expenses of counsel, accountants and financial advisors) actually incurred by the Company and its Affiliates on or prior to the termination of this Agreement in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement, which amount shall not be greater than Five Million Dollars (\$5,000,000); provided, that solely with respect to Section 9.2(j), such amount shall not be greater than Ten Million Dollars (\$10,000,000).

“Company Insiders” shall have the meaning set forth in Section 7.9.

“Company Intellectual Property” shall mean all Intellectual Property owned, used or held for use by the Company or any Subsidiary.

“Company Intervening Event” shall mean a material event, fact, circumstance, development or occurrence that affects the business, assets or operations of the Company that is unknown to or by the Company’s Board of Directors as of the date of this Agreement (and which could not have become known through any further reasonable investigation, discussion, inquiry or negotiation with respect to any event, fact, circumstance, development or occurrence known to or by the Company’s Board of Directors as of the date of this Agreement), which event, fact, circumstance, development or occurrence becomes known to or by the Company’s Board of Directors prior to obtaining the Required Company Vote.

“Company Leased Real Property” shall have the meaning set forth in Section 3.12(b).

“Company Leases” shall have the meaning set forth in Section 3.12(b).

“Company Licenses and Permits” shall have the meaning set forth in Section 3.14(a).

“Company Material Adverse Effect” shall mean any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, (a) is or is reasonably likely to become, materially adverse to the business, assets, financial condition, liabilities or results of operations of the Company and its Subsidiaries, taken as a whole; provided, however, that Company Material Adverse Effect shall not include the effect of any event, change, circumstance, effect, development or state of facts arising out of or attributable to (i) general economic conditions, (ii) the industries in which the Company and its Subsidiaries operate, (iii) changes in law, (iv) changes in GAAP, (v) the negotiation, execution, announcement, pendency or performance of this Agreement and the Amalgamation Agreement or the transactions contemplated hereby and thereby or the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement, (vi) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, and (vii) earthquakes, hurricanes, floods, or other natural disasters, except, in the case of the foregoing clauses (i) and (ii), to the extent that such event, change, circumstance, effect, development or state of facts affects the Company and its Subsidiaries in a materially disproportionate manner when compared to the effect of such event, change, circumstance, effect, development or state of facts on other

Persons in the industries in which the Company and its Subsidiaries operate, or (b) would prevent or materially impair or materially delay the ability of the Company to perform its obligations under this Agreement and the Amalgamation Agreement or to consummate the transactions contemplated hereby and thereby.

“Company Option” shall have the meaning set forth in Section 1.9(a).

“Company Organizational Documents” shall mean the Memorandum of Association and the Amended and Restated By-laws of the Company, together with all amendments thereto.

“Company Owned Intellectual Property” shall mean all Intellectual Property owned by the Company or any Subsidiary.

“Company Owned Real Property” shall have the meaning set forth in Section 3.12.

“Company Property” shall have the meaning set forth in Section 3.12(b).

“Company Registered Intellectual Property” shall have the meaning set forth in Section 3.13(b).

“Company RSU” shall have the meaning set forth in Section 1.9(b).

“Company SEC Reports” shall have the meaning set forth in Section 3.8(a).

“Company Section 16 Information” shall have the meaning set forth in Section 7.9.

“Company Share Reserve” shall have the meaning set forth in Section 3.6(a)(ii).

“Company Stockholders Meeting” shall have the meaning set forth in Section 3.28.

“Company Superior Proposal” shall have the meaning set forth in Section 7.4(b).

“Company Termination Fee” shall have the meaning set forth in Section 9.2(b).

“Confidentiality Agreement” shall have the meaning set forth in Section 7.2.

“Consent Solicitations” shall have the meaning set forth in Section 7.12(d).

“Continuing Company Employee” shall have the meaning set forth in Section 6.2(a).

“Contract” shall have the meaning set forth in Section 3.17(c).

“Convertible Preferred Stock” shall have the meaning set forth in Section 3.6(a)(iii).

“Customer” shall have the meaning set forth in Section 3.17(c).

“Customer Contracts” shall have the meaning set forth in Section 3.17(c).

“Debt Tender Offer” shall have the meaning set forth in Section 7.12(d).

“Defense Production Act” shall have the meaning set forth in Section 3.4.

“Disclosure Schedules” shall mean the Parent Disclosure Schedule and the Company Disclosure Schedule, collectively.

“Dissenting Shareholder” shall have the meaning set forth in Section 1.8(f).

“Dissenting Shares” shall have the meaning set forth in Section 1.8(f).

“DOJ” shall have the meaning set forth in Section 7.3(b).

“Effective Time” shall have the meaning set forth in Section 1.3.

“Encumbrances” shall mean any claim, Lien, pledge, option, right of first refusal or offer, preemptive right, charge, easement, security interest, deed of trust, mortgage, right-of-way, covenant, condition, restriction, encumbrance or other rights of third parties.

“Environmental Laws” shall have the meaning set forth in Section 3.23(a).

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” shall have the meaning set forth in Section 3.18(c).

“Exchange Act” shall have the meaning set forth in Section 3.4.

“Exchange Agent” shall have the meaning set forth in Section 2.1.

“Exchange Fund” shall have the meaning set forth in Section 2.1.

“Exchange Ratio” shall have the meaning set forth in Section 1.8(a).

“Existing Indebtedness” shall mean all Indebtedness of the Company and its Subsidiaries (x) in existence on the date hereof or (y) permitted to be incurred in compliance with the terms hereof prior to the Termination Date, as the case may be, until such amounts are repaid.

“FCC” shall mean the Federal Communications Commission.

“ FCPA ” shall have the meaning set forth in Section 3.31(a).

“ Financing ” means the debt financing in an amount sufficient to pay the Required Refinancing Indebtedness as contemplated by the Commitment Letter; provided that, after the date of this Agreement, in the event that Parent obtains Alternative Financing in accordance with Section 7.12(b), the term “Financing” shall mean the Alternative Financing.

“ Financing Fee ” shall have the meaning set forth in Section 9.2(h).

“ Financing Sources ” shall mean Bank of America, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., and Citicorp North America, Inc., and any of their respective affiliates, each acting pursuant to the Commitment Letter (or any other financing source and its affiliates that may become party to the Commitment Letter as the same may be amended, supplemented, modified, waived or replaced in accordance with the definition thereof).

“ GAAP ” shall mean United States generally accepted accounting principles as in effect from time to time, consistently applied.

“ GCUK Issuers ” shall mean Global Crossing (UK) Telecommunications Ltd. and Global Crossing (UK) Finance Plc.

“ GCUK Senior Notes ” shall mean the 10.75% Senior Notes due 2014 and the 11.75% Senior Notes due 2014, in each case issued by the GCUK Issuers.

“ Governmental Entity ” shall mean any national, federal, state, or local, domestic or foreign, governmental, regulatory or administrative authority, branch, agency or commission or any court, tribunal or judicial body.

“ Hazardous Material ” shall have the meaning set forth in Section 3.23(c).

“ Hedging Obligations ” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

“ HSR Act ” shall have the meaning set forth in Section 3.4.

“ Indebtedness ” means, with respect to any specified Person, any indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker's acceptances;
- (4) representing capital lease obligations;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than one year after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term "Indebtedness" includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the guarantee by the specified Person of any Indebtedness of any other Person. Indebtedness shall be calculated without giving effect to the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

"Indemnified Person" shall have the meaning set forth in Section 6.3(a)(i).

"Indenture Amendments" shall have the meaning set forth in Section 7.12(d).

"Intellectual Property" shall mean all of the following, whether registered or unregistered: (i) trademarks and service marks, trade dress, trade names and other indications of origin, applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith; (ii) Patents; (iii) trade secrets, including confidential information and the right in any jurisdiction to limit the use or disclosure thereof; (iv) copyrighted and copyrightable writings, designs, software, mask works, applications or registrations in any jurisdiction for the foregoing; (v) domain names and registrations pertaining thereto and all intellectual property used in connection with or contained in Web sites; and (vi) all similar proprietary rights.

"IRS" shall mean the United States Internal Revenue Service.

"IRU" shall mean any sale, license or lease of any indefeasible rights of use of the Company's infrastructure.

"Joint Proxy Statement/Prospectus" shall have the meaning set forth in Section 3.28.

“ Key Employees ” shall have the meaning set forth in Section 3.9(b).

“ Knowledge ” shall mean, (i) with respect to the Company, the actual knowledge of the executives of the Company listed on Schedule 10.12(a) (and, for purposes of Section 3.16, Section 3.30 and Section 3.31 only, the additional executives of the Company listed on Schedule 10.12 (b) ) after due inquiry of the senior employees of the Company and its Subsidiaries who have administrative or operational responsibility for the particular subject matter in question, or (ii) with respect to Parent, the actual knowledge of the executives of Parent listed on Schedule 10.12 (c) (and, for purposes of Section 4.16, Section 4.29 and Section 4.30 only, the additional executives of Parent listed on Schedule 10.12 (d) ) after due inquiry of the senior employees of Parent and its Subsidiaries who have administrative or operational responsibility for the particular subject matter in question.

“ Level 3 Financing ” means Level 3 Financing, Inc., a Delaware corporation and a direct Wholly Owned Subsidiary of Parent.

“ Level 3 Financing 9.375% Senior Notes ” shall mean the \$500,000,000 in aggregate principal amount of 9.375% Senior Notes due 2019 of Level 3 Financing (and from and after the issuance of registered 11.875% Senior Notes in exchange therefor, such registered 9.375% Senior Notes).

“ Lien ” shall mean any mortgage, pledge, security interest, encumbrance or title defect, lien (statutory or other), conditional sale agreement, claim, charge, limitation or restriction.

“ Marketing Period ” shall mean the first period of twenty (20) consecutive Business Days after the date hereof throughout which (a) Parent and Amalgamation Sub shall have the Required Financial Information and (b) the conditions set forth in Section 8.1 (other than those conditions that by their nature are to be satisfied at Closing provided that such conditions are reasonably capable of being satisfied at Closing) shall have been satisfied and nothing has occurred and no condition exists that would cause any of the conditions set forth in Section 8.2 to fail to be satisfied (other than a failure to be satisfied that is cured by the Company prior to the final day of the Marketing Period) assuming the Closing were to be scheduled for any time during such twenty (20) consecutive Business Day period; provided, however, that the Marketing Period shall not include any day from and including (x) August 22, 2011 through September 6, 2011, (y) November 21, 2011 through and November 25, 2011 or (z) December 19, 2011 through January 2, 2012; provided, further that if the Marketing Period has not commenced or concluded by March 10, 2012, and, as of such date, (1) Parent and Amalgamation Sub shall have the Required Financial Information, (2) all conditions in Section 8.1 (other than those conditions that by their nature are to be satisfied at Closing provided that such conditions are reasonably capable of being satisfied at Closing) shall not have been satisfied but shall be reasonably likely to be satisfied on or prior to the Termination Date and (3) no condition exists that would cause any of the conditions set forth in Section 8.2 to fail to be satisfied (other than a failure to be satisfied that is cured by the Company prior to the final date of the Marketing Period), then the Marketing Period shall commence on March 10, 2012 and shall, notwithstanding anything to the foregoing contained in this Agreement, conclude on the

twentieth (20<sup>th</sup>) Business Day thereafter. Without limiting the generality of the foregoing, the Marketing Period shall not be deemed to have commenced if, prior to completion of the Marketing Period, (i) Ernst & Young LLP shall have withdrawn its audit opinion with respect to any financial statements contained in the Company SEC Reports, (ii) the Company shall have publicly announced any intention to restate any financial information included in the Required Financial Information or that any such restatement is under consideration, in which case the Marketing Period shall be deemed not to commence at the earliest unless and until such restatement has been completed and the Company SEC Reports have been amended or the Company has determined that no restatement shall be required, (iii) the Company shall not have timely filed any Company SEC Reports required to be filed on or after the date hereof, in which case the Marketing Period shall be deemed not to commence at the earliest unless and until such delinquency is cured, or (iv) the financial statements included in the Required Financial Information that is available to Parent on the first day of any such twenty (20) consecutive Business Day period would be required to be updated under Rule 3-12 of Regulation S-X in order to be sufficiently current on any day during such twenty (20) consecutive Business Day period to permit a registration statement using such financial statements to be declared effective by the SEC on the last day of such twenty (20) consecutive Business Day period, in which case the Marketing Period shall not be deemed to commence until the receipt by Parent of updated Required Financial Information that would be required under Rule 3-12 of Regulation S-X to permit a registration statement using such financial statements to be declared effective by the SEC on the last day of such twenty (20) consecutive Business Day period. Notwithstanding anything to the contrary contained within this Agreement, the Marketing Period shall be deemed to have concluded upon the earliest to occur of (i) the consummation of the Financing, (ii) the Closing and (iii) Parent having obtained proceeds sufficient to fund the payment of the Required Refinancing Indebtedness.

“Memorandum of Association” shall have the meaning set forth in Section 1.5.

“Network Security Agreement” shall mean that certain Network Security Agreement, dated as of September 24, 2003, as amended, between the Company, Global Crossing Ltd., the Shareholder, the Federal Bureau of Investigation, the U.S. Department of Justice, the Department of Defense and the Department of Homeland Security.

“New Plans” shall have the meaning set forth in Section 6.2(c).

“Notes” shall mean any of the Senior Secured Notes, the Senior Notes and the GCUK Senior Notes.

“Offer Documents” shall have the meaning set forth in Section 7.12(e).

“Offers to Purchase” shall have the meaning set forth in Section 7.12(d).

“Parent” shall have the meaning set forth in the Preamble hereto.

“Parent 11.875% Senior Notes” shall mean the \$305,000,000 in aggregate principal amount of 11.875% Senior Notes due 2019 of Parent (and from and after the issuance

of registered 11.875% Senior Notes in exchange therefor, such registered 11.875% Senior Notes).

“Parent Acquisition Proposal” shall have the meaning set forth in Section 7.4(f).

“Parent Alternative Acquisition Agreement” shall have the meaning set forth in Section 7.4(h).

“Parent Benefit Plan” shall mean each “employee benefit plan” (within the meaning of Section 3(3) of ERISA) and all other material employee compensation and benefits plans, policies, programs, arrangements or payroll practices, including multiemployer plans (within the meaning of Section 3(37) of ERISA), and each other stock purchase, stock option, restricted stock, severance, retention, employment, consulting, change-of-control, collective bargaining, bonus, incentive, deferred compensation, employee loan, fringe benefit and other benefit plan, agreement, program, policy, commitment or other arrangement, whether or not subject to ERISA (including any related award agreements and any related funding mechanism now in effect or required in the future), in each case sponsored, maintained, contributed or required to be contributed to by Parent or its Subsidiaries or under which Parent or any of its Subsidiaries has any current or potential liability.

“Parent Change in Recommendation” shall have the meaning set forth in Section 7.4(h).

“Parent Charter Amendment” shall mean the amendment to Parent’s Restated Certificate of Incorporation, substantially in the form of Exhibit B hereto.

“Parent Common Stock” shall have the meaning set forth in the Recitals hereto.

“Parent Disclosure Schedule” shall mean the disclosure schedule delivered by Parent and Amalgamation Sub on the date hereof.

“Parent ERISA Affiliate” shall have the meaning set forth in Section 4.18(b).

“Parent Expenses” shall mean all of Parent’s actual and reasonably documented out-of-pocket fees and expenses (including the Parent Financing Expenses) actually incurred by Parent and its Subsidiaries on or prior to the termination of this Agreement in connection with the transactions contemplated by this Agreement and the Amalgamation Agreement, including the financing thereof, which amount shall not be greater than Five Million Dollars (\$5,000,000) (other than with respect to the Parent Financing Expenses).

“Parent Financing Expenses” shall mean the following Parent Expenses payable by Parent and its Subsidiaries on or prior to or as a result of the termination of this Agreement in connection with the financing of the Required Refinancing Indebtedness and actually paid by Parent and any of its Subsidiaries: (i) bridge commitment fee required to be paid pursuant to Section 1.C. of the fee letter executed in connection with the Commitment Letter (the “Fee Letter”), (ii) the initial purchaser or underwriting commission or discount (if any) required to be paid pursuant to Section 3(a) of the engagement letter (executed in connection with the



Commitment Letter) in connection with any offering of debt securities by Parent or any of its Subsidiaries (but not, for the avoidance of doubt, any interest paid or payable thereto) the proceeds of which are to be used to finance the Required Refinancing Indebtedness and are funded into escrow pending the Closing (excluding such discount, commissions or fees required to be paid in connection with any such offering of debt securities by Parent or any of its Subsidiaries with a final non-extendable maturity prior to January 1, 2015 or an interest rate higher than 14% that is funded into escrow on or before October 10, 2011) and (iii) any premium (not in excess of 1.00%) required to be paid to the holders of any securities issued pursuant to the preceding clause (ii) in the event that the Closing fails to occur and such securities are required to be redeemed by Parent or any of its Subsidiaries. In the event that any Parent Financing Expenses are reimbursed, rebated or refunded to Parent or its Subsidiaries or Affiliates (or credited against other amounts owing from Parent or its Subsidiaries or Affiliates) following the incurrence or payment thereof, a pro rata portion of such reimbursed, rebated, credited or refunded amounts shall be credited to or refunded to the Company, to the extent previously paid, or payable, to Parent, as applicable. The amounts described in clauses (i) and (ii) above shall also include any corresponding amounts payable in connection with an Alternative Financing; provided that any such corresponding amounts may not, when aggregated with the Parent Financing Expenses previously incurred, exceed 150% of the corresponding Parent Financing Expense that would have been paid or payable in connection with the Financing contemplated by the Commitment Letter as of the date hereof.

“ Parent Intellectual Property ” shall mean all Intellectual Property owned, used or held for use by Parent or any Subsidiary.

“ Parent Intervening Event ” shall mean a material event, fact, circumstance, development or occurrence that affects the business, assets or operations of Parent that is unknown to or by Parent’s Board of Directors as of the date of this Agreement (and which could not have become known through any further reasonable investigation, discussion, inquiry or negotiation with respect to any event, fact, circumstance, development or occurrence known to or by Parent’s Board of Directors as of the date of this Agreement), which event, fact, circumstance, development or occurrence becomes known to or by Parent’s Board of Directors prior to obtaining the Required Parent Vote.

“ Parent Lease ” shall have the meaning set forth in Section 4.12(b).

“ Parent Leased Real Property ” shall have the meaning set forth in Section 4.12(b).

“ Parent Licenses and Permits ” shall have the meaning set forth in Section 4.14(a).

“ Parent Material Adverse Effect ” shall mean any event, change, circumstance, effect, development or state of facts that, individually or in the aggregate, (a) is or is reasonably likely to become, materially adverse to the business, assets, financial condition, liabilities or results of operations of Parent and its Subsidiaries, taken as a whole; provided, however, that Parent Material Adverse Effect shall not include the effect of any event, change, circumstance, effect, development or state of facts arising out of or attributable to (i) general economic conditions, (ii) the industry in which Parent and its Subsidiaries operate, (iii) changes in law, (iv)

changes in GAAP, (v) the negotiation, execution, announcement, pendency or performance of this Agreement and the Amalgamation Agreement or the transactions contemplated hereby and thereby or the consummation of the transactions contemplated by this Agreement and the Amalgamation Agreement, (vi) acts of war, armed hostilities, sabotage or terrorism, or any escalation or worsening of any such acts of war, armed hostilities, sabotage or terrorism threatened or underway as of the date of this Agreement, and (vii) earthquakes, hurricanes, floods, or other natural disasters, except, in the case of the foregoing clauses (i) and (ii), to the extent that such event, change, circumstance, effect, development or state of facts affects Parent and its Subsidiaries in a materially disproportionate manner when compared to the effect of such event, change, circumstance, effect, development or state of facts on other Persons in the industry in which Parent and its Subsidiaries operate, or (b) would prevent or materially impair or materially delay the ability of Parent to perform its obligations under this Agreement and the Amalgamation Agreement or to consummate the transactions contemplated hereby and thereby.

“Parent Material Contract” shall have the meaning set forth in Section 4.17.

“Parent Option” means each option to purchase Parent Common Stock outstanding under any Parent Benefit Plan or otherwise.

“Parent Organizational Documents” shall mean the Restated Certificate of Incorporation and the Amended and Restated Bylaws of Parent, together with all amendments thereto.

“Parent Owned Intellectual Property” shall mean all Intellectual Property owned by Parent or any Subsidiary.

“Parent Owned Real Property” shall have the meaning set forth in Section 4.12(a).

“Parent Preferred Stock” shall have the meaning set forth in Section 4.6(a).

“Parent Property” shall have the meaning set forth in Section 4.12(b).

“Parent Registered Intellectual Property” shall have the meaning set forth in Section 4.13(b).

“Parent RSUs” shall mean the restricted stock units of Parent.

“Parent SEC Reports” shall have the meaning set forth in Section 4.8(a).

“Parent Share Issuance” shall have the meaning set forth in Section 3.28.

“Parent Stockholders Meeting” shall have the meaning set forth in Section 3.28.

“Parent Superior Proposal” shall have the meaning set forth in Section 7.4(g).

“Parent Termination Fee” shall have the meaning set forth in Section 9.2(d).

“Participating Employees” shall have the meaning set forth in Section 6.2(c).

“ Patents ” shall mean all patent and patent applications in any jurisdiction, and all re-issues, reexamine applications, continuations, divisionals, continuations-in-part or extensions of any of the foregoing.

“ PBGC ” shall have the meaning set forth in Section 3.18(c).

“ Permitted Liens ” shall mean (a) liens for utilities and current Taxes not yet due and payable or being contested in good faith, (b) mechanics’, carriers’, workers’, repairers’, materialmen’s, warehousemen’s, lessor’s, landlord’s and other similar liens arising or incurred in the ordinary course of business not yet due and payable or being contested in good faith, (c) liens for Taxes, assessments, or governmental charges or levies on a Person’s properties if the same shall not at the time be delinquent or thereafter can be paid without penalty or are being contested in good faith by appropriate proceedings and for which appropriate reserves have been included on the balance sheet of the applicable Person, (d) easements, licenses, restrictive covenants and similar Encumbrances or impediments against any assets or properties of an entity and which individually or in the aggregate do not materially interfere with the business of such entity or the operation of the property as currently conducted to which they apply, (e) minor irregularities and defects of title which individually or in the aggregate do not materially interfere with an entity’s business or the operation of the property as currently conducted to which they apply, (f) Liens disclosed on the existing title policies, title commitments and/or surveys which have been previously provided or made available to Parent or the Company, as applicable, none of which materially interfere with the business of Parent or its Subsidiaries or the Company or its Subsidiaries, as applicable, or the operation of the property as presently conducted to which they apply, (g) Liens granted in respect of any debt or securing any obligations with respect thereto and other Liens in each case as set forth on Schedule 10.12(g), (h) Liens arising out of pledges or deposits under worker’s compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation, (i) Liens and deposits securing liability to insurance carriers under insurance or self-insurance arrangements, (j) Liens and deposits to secure the performance of bids, tenders, trade contracts (other than contracts for indebtedness for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business, (k) Liens arising from protective filings (l) Liens in favor of a banking institution arising as a matter of applicable law encumbering deposits (including the right of set-off) held by such banking institution incurred in the ordinary course of business and which are within the general parameters customary in the banking industry (m) Liens in favor of the Company or Parent, as the case may be, or any of its Subsidiaries, (n) Liens constituting any interest of title of a lessor, a licensor or either’s creditors in the property subject to any lease (other than a capital lease), and leases, subleases, licenses or sublicenses granted to any other Person that do not materially interfere with the ordinary course of business of the Person; (o) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; (p) Liens securing reimbursement obligations with respect to commercial letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof; (q) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangement for the sale of goods entered into in the ordinary course of business; (r) judgment

Liens so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceeding may be initiated has not expired; (s) non-consensual Liens imposed in jurisdictions outside of the United States, the U.S. Virgin Islands, Bermuda, the United Kingdom, Canada, Luxembourg or the Netherlands to the extent not arising out of the incurrence of indebtedness for borrowed money, provided that the Company or the applicable Subsidiary of the Company exercises commercially reasonable efforts to cause such Lien to be discharged or released; and (t) other Liens (not securing indebtedness for borrowed money) that would not, individually or in the aggregate, have a Company Material Adverse Effect or a Parent Material Adverse Effect, as applicable.

“Person” shall mean an individual, corporation, limited liability company, partnership, association, trust, unincorporated organization, other entity or group (as defined in the Exchange Act).

“Proceeding” shall have the meaning set forth in Section 6.3(a).

“Registrar” shall have the meaning set forth in Section 1.3.

“Registration Statement” shall have the meaning set forth in Section 7.1(a).

“Regulatory Condition” shall mean a condition in Section 8.1(c), 8.1(d), 8.1(e), 8.1(f) or 8.1(g).

“Regulatory Law” shall have the meaning set forth in Section 7.3(b).

“Required Company Vote” shall have the meaning set forth in Section 3.29.

“Required Financial Information” means, as of any date, (a) the audited consolidated financial statements of the Company for each of the three fiscal years ending at least 95 days prior to the Closing Date, prepared in accordance with Regulation S-X, (b) the unaudited consolidated financial statements for any interim period or periods of the Company and the related unaudited statements of income and cash flows, which shall have been reviewed by the independent accountants of the Company as provided under SAS 100, (c) financial information related to the Company reasonably requested in writing (including such requests made after the provision of the financial statements described in clauses (a) and (b) above) by Parent as promptly as reasonably practicable, which information is reasonably necessary for Parent to produce the pro forma financial statements required under Regulation S-X under the Securities Act for a public capital markets offering, and (d)(i) such other financial data and pertinent information regarding the Company and its Subsidiaries required by SEC Regulation S-X and SEC Regulation S-K under the Securities Act (including pro forma financial information, provided that it is understood that assumptions underlying the pro forma adjustments to be made are the responsibility of Parent) in connection with a registered offering of nonconvertible debt securities to consummate the offering of secured or unsecured senior notes and/or senior subordinated notes, made on any date during the relevant period and specified in writing by Parent to the Company, and (ii) such other information and data as are otherwise necessary in order to receive customary “comfort” letters with respect to the financial statements and data

referred to in clause (i) of this definition (including “negative assurance” comfort) from the independent auditors of the Company and the Company Subsidiaries on any date during the relevant period; provided, however, that if the Company shall in good faith reasonably believe it has delivered the Required Financial Information, it may deliver to Parent a written notice to that effect (stating when it believes it completed such delivery), in which case the Required Financial Information shall be deemed to have been delivered on the first Business Day after the date of such notice unless Parent in good faith reasonably determines the Company has not completed delivery of the Required Financial Information and, within three Business Days of the delivery of such notice by the Company, delivers a written notice to the Company to that effect (stating with reasonable specificity which Required Financial Information that Parent reasonably believes the Company has not delivered).

“ Required Parent Vote ” shall have the meaning set forth in Section 4.28.

“ Required Refinancing Indebtedness ” shall have the meaning set forth in Section 4.24.

“ Rights Agreement ” means that certain rights agreement, dated as of April 10, 2011, between Parent and Wells Fargo Bank, N.A., as rights agent.

“ Rollover Option ” shall have the meaning set forth in Section 1.9(a).

“ Sarbanes-Oxley Act ” shall have the meaning set forth in Section 3.15(b).

“ SEC ” shall mean the United States Securities and Exchange Commission.

“ Securities Act ” shall have the meaning set forth in Section 3.4.

“ Senior Notes ” shall mean the \$150,000,000 in aggregate principal amount of the Company’s 9% Senior Notes due 2019 (and from and after the issuance of registered Senior Notes in exchange therefor, such registered Senior Notes).

“ Senior Secured Notes ” shall mean the \$750,000,000 in aggregate principal amount of the Company’s 12% Senior Secured Notes due 2015.

“ Shareholder ” shall have the meaning set forth in the Preamble hereto

“ Subsidiary ” when used with respect to any Person shall mean (a) any corporation, partnership or other organization, whether incorporated or unincorporated, (i) of which such Person or any other Subsidiary of such Person is a general partner (excluding partnerships, the general partnership interests of which held by such Person or any Subsidiary of such Person do not have a majority of the voting interests in such partnership) or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the Board of Directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person or by any one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries, or (b) any partnership, limited liability company, association, joint venture or other

business entity, of which at least 50% of the partnership, joint venture or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof.

“Supplemental Financing Fee” shall have the meaning set forth in Section 9.2(i).

“Tax Return” shall mean any report, return, information return, filing, claim for refund or other information, including any schedules or attachments thereto, and any amendments to any of the foregoing required to be supplied to a taxing authority in connection with Taxes.

“Taxes” shall mean all U.S. federal, state, or local or non-U.S. taxes, including, without limitation, income, gross income, gross receipts, production, excise, employment, sales, use, transfer, *ad valorem*, value added, profits, license, capital stock, franchise, severance, stamp, withholding, Social Security, employment, unemployment, disability, worker’s compensation, payroll, utility, windfall profit, custom duties, personal property, real property, taxes required to be collected from customers on the sale of services, registration, alternative or add-on minimum, estimated, and other taxes, governmental fees or like charges of any kind whatsoever, including any interest, penalties or additions thereto; and “Tax” shall mean any one of them.

“Termination Date” shall have the meaning set forth in Section 9.1(b).

“the other party” shall mean, with respect to the Company, Parent and shall mean, with respect to Parent, the Company.

“Trade Laws” shall have the meaning set forth in Section 3.30(b).

“Treasury Regulations” shall have the meaning set forth in the Recitals hereto.

“Uncertificated Company Stock” shall have the meaning set forth in Section 1.8(c).

“U.S. Company Benefit Plan” shall mean each Company Benefit Plan in which any employee who is based in the U.S. participates.

“Vendor” shall have the meaning set forth in Section 3.17(c).

“Vendor Contracts” shall have the meaning set forth in Section 3.17(c).

“Voting Agreement” shall have the meaning set forth in the Recitals hereto.

“WARN” shall have the meaning set forth in Section 3.22(d).

“Wholly Owned Subsidiary” of any specified Person shall mean a Subsidiary of such Person all of the outstanding capital stock or other ownership interests of which (other than directors’ qualifying shares) will at the time be owned by such Person or by one or more Wholly

Owned Subsidiaries of such Person; provided, that the entities set forth on Schedule 10.12 shall be deemed to be Wholly Owned Subsidiaries for purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first above written.

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ James Q. Crowe

Name: James Q. Crowe

Title: Chief Executive Officer and Director

APOLLO AMALGAMATION SUB, LTD.

By: /s/ John M. Ryan

Name: John M. Ryan

Title: Executive Vice President, Chief Legal  
Officer and Secretary

GLOBAL CROSSING LIMITED

By: /s/ John J. Legere

Name: John J. Legere

Title: Chief Executive Officer

[Signature Page to the Agreement and Plan of Amalgamation]

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**STOCKHOLDER RIGHTS AGREEMENT**

This STOCKHOLDER RIGHTS AGREEMENT (this “Agreement”), dated as of April 10, 2011, is entered into by and between Level 3 Communications, Inc., a Delaware corporation (“Parent”), and STT Crossing Ltd. (the “Stockholder”).

WHEREAS, Global Crossing Limited, a Bermuda exempted company (the “Company”), Parent, and Apollo Amalgamation Sub, Ltd., a Bermuda exempted company and a direct wholly owned subsidiary of Parent (“Amalgamation Sub”), have entered into an Agreement and Plan of Amalgamation, dated as of the date hereof (the “Plan of Amalgamation”), and the Company, Parent and Amalgamation Sub will enter into an Amalgamation Agreement in substantially the form attached as an exhibit to the Plan of Amalgamation (the “Amalgamation Agreement”);

WHEREAS, pursuant to the Plan of Amalgamation and the Amalgamation Agreement, the Stockholder will receive from Parent on the Closing Date shares of Common Stock of Parent, subject to the terms and conditions set forth in the Plan of Amalgamation and the Amalgamation Agreement;

WHEREAS, in connection with the consummation of the transactions contemplated by the Plan of Amalgamation and the Amalgamation Agreement, the parties desire to enter into this Agreement to become effective upon Closing (as defined below);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, the adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Defined Terms. As used in this Agreement, the following terms shall have the following respective meanings:

(a) “5 Percent Shareholder” shall mean a “5% shareholder” of Parent within the meaning of Section 382(k)(7) of the Code.

(b) “Adverse Determination” shall have the meaning set forth in Section 7(a)(ii).

(c) “Affiliate” shall mean, (i) with respect to the Stockholder, Singapore Technologies Telemedia Pte Ltd and any of its Subsidiaries, for so long as Stockholder maintains an information wall such that shares of Common Stock Beneficially Owned by the Stockholder, Singapore Technologies Telemedia Pte Ltd and any of its Subsidiaries shall not be considered Beneficially Owned by any Person directly or indirectly controlling or under direct or indirect common control with such Persons, other than the Stockholder, Singapore Technologies Telemedia Pte Ltd and any of its Subsidiaries; and (ii) with respect to (x) any other Person and (y) the Stockholder, if it fails to maintain an information wall as described above in clause (i) of this definition, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For purposes of this definition, “control” when used with respect to any Person has the meaning specified in Rule

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12b-2 under the Exchange Act; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

(d) “Aggregate Section 382 Owner Shift” shall mean as of a particular date, the aggregate increase in (i) the percentage of Parent’s Common Stock owned by each 5 Percent Shareholder over (ii) the lowest percentage of Parent’s Common Stock owned by each such 5 Percent Shareholder at any time during the applicable “testing period” (as defined in Section 382(i) of the Code).

(e) “Agreement” shall have the meaning set forth in the Recitals.

(f) “Amalgamation” shall have the meaning ascribed to such term in the Plan of Amalgamation.

(g) “Amalgamation Agreement” shall have the meaning set forth in the Recitals.

(h) “Amalgamation Sub” shall have the meaning set forth in the Recitals.

(i) “Anticipated QEO” shall have the meaning set forth in Section 7(k).

(j) “Applicable Notice Period” shall have the meaning set forth in Section 7(l).

(k) “Basket” shall have the meaning set forth in the definition of Qualified Equity Offering.

(l) “Basket Period” shall mean as applicable (i) the 3 year period beginning on the Closing Date (immediately following and giving effect to the Closing) and ending on the date which is the 3 year anniversary of the Closing Date (the “Initial Period”); and (ii) successive 3 year periods commencing from the date immediately following the last date of the Initial Period.

(m) “Beneficially Own” with respect to any securities means having “beneficial ownership” of such securities (as determined pursuant to Rule 13d-3 under the Exchange Act, as in effect on the date hereof); provided, however, that a Person will be deemed to beneficially own (and have beneficial ownership of) all securities that such Person has the right to acquire, whether such right is exercisable immediately or with the passage of time or the satisfaction of conditions. The terms “Beneficial Ownership” and “Beneficial Owner” have correlative meanings.

(n) “Black Out Period” shall have the meaning set forth in Section 5.5(d).

(o) “Board of Directors” shall mean the board of directors of Parent.

(p) “Buffer Shares” shall have the meaning set forth in Section 4.2(c)(i).

(q) “Business Day” shall mean a day other than a Saturday, a Sunday or another day on which commercial banking institutions in New York, New York or Singapore are authorized or required by law to be closed.

(r) “Closing” shall have the meaning ascribed to such term in the Plan of Amalgamation.

(s) “Closing Date” shall have the meaning ascribed to such term in the Plan of Amalgamation.

(t) “Closing Shares” shall mean that number of shares of Common Stock to be received by the Stockholder on the Closing Date upon the consummation of the Amalgamation pursuant to the Plan of Amalgamation and the Amalgamation Agreement.

(u) “Closing Share Percentage” shall mean the quotient obtained by dividing (i) the number of Closing Shares by (ii) the number of shares of Common Stock outstanding immediately following the Closing.

(v) “Code” shall mean the Internal Revenue Code of 1986, as amended.

(w) “Common Stock” shall mean the common stock, par value US\$0.01 per share, of Parent.

(x) “Common Stock Equivalents” shall have the meaning set forth in Section 5.5(d).

(y) “Company” shall have the meaning set forth in the Recitals.

(z) “Competitor” shall mean any Person listed on Schedule A hereto. Prior to each three year anniversary of the date of this Agreement, Parent and the Stockholder shall update Schedule A as necessary to reflect the three primary competitors of Parent as of the date of such anniversary.

(aa) “Current Price” shall mean, as of the date of any proposed Share Acquisition, the volume weighted average per share price (“VWAP”) of the Common Stock on the Nasdaq Global Select Market or such principal United States securities exchange on which the shares of Common Stock are then traded for the trading day prior to any proposed Share Acquisition.

(bb) “Demand” shall have the meaning set forth in Section 5.2(b).

(cc) “Demand Notice” shall have the meaning set forth in Section 5.2(a).

(dd) “Derivative Security” shall mean any subscription, option, conversion right, warrant, phantom stock right or other agreement, security or commitment of any kind obligating Parent or any of its subsidiaries to issue, grant, deliver or sell, or cause to be issued, granted, delivered or sold: (i) any Voting Securities or any other equity security of Parent, (ii) any securities convertible into, or exchangeable or exercisable for, any Voting Securities or

other equity security of Parent or (iii) any obligations measured by the price or value of any shares of capital stock of Parent.

(ee) “Designated Equity Interests” shall have the meaning set forth in Section 7(c).

(ff) “Designation Period” shall mean the period beginning on the Closing Date and ending on the earlier of (1) the time that the Stockholder Percentage is less than ten percent (10%) or (2) the date on which the Stockholder provides notice to Parent that it desires to terminate this Agreement, provided that, such notice may not be given prior to the three (3) year anniversary of the Closing Date and, provided, further, that such notice shall not be effective unless prior to or concurrently with giving such notice all of the Stockholder Employee Directors shall offer their written resignations to the Board of Directors of Parent (which the Board of Directors may or may not accept, in its discretion).

(gg) “Dispute Bank” shall have the meaning set forth in Section 7(a)(ii).

(hh) “Dispute Firm” shall mean a nationally recognized accounting firm reasonably acceptable to Parent and the Stockholder.

(ii) “Economic Interest Percentage” shall mean, with respect to the Stockholder, as of any date, the quotient, expressed as a percentage, obtained by dividing (x) the number of shares of Common Stock Beneficially Owned by the Stockholder as of such date (provided, that for purposes of this calculation the term “Beneficially Own” will be deemed to include securities that the Stockholder has the right to acquire, whether such right is exercisable immediately or with the passage of time or the satisfaction of conditions only if the applicable conversion price or exercise price as of such date is less than or equal to 120% of then current market price of the Common Stock as of such date), by (y) the number of shares of Common Stock issued and outstanding as of such date, including for purposes of this calculation all shares of Common Stock issuable upon conversion in full of any then outstanding securities convertible into or exchangeable for Common Stock (or securities convertible into or exercisable for such securities) with a conversion price or exercise price as of such date that is less than or equal to 120% of then current market price of the Common Stock as of such date.

(jj) “Effective Price” shall have the meaning set forth in Section 7(a)(ii).

(kk) “Eligible Electronic Means” shall have the meaning set forth in Section 10.5(f).

(ll) “Equity Interest” means an equity ownership interest in an entity, including stock or similar security in a corporation, securities convertible into or exchangeable for any stock, or the comparable instruments for any other entity or any other interest entitling the holder thereof to participate in the profits of such entity, the proceeds or the disposition of such entity or any portion thereof or to vote for the governing body of such entity.

(mm) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.

(nn) “Exchanged Assets” shall have the meaning set forth in Section 7(a)(ii).

(oo) “Group” shall mean any group of Persons who, with respect to those acquiring, holding, voting or disposing of Voting Securities would, assuming ownership of the requisite percentage thereof, be required under Section 13(d) of the Exchange Act to file a statement on Schedule 13D with the SEC as a “person” within the meaning of Section 13(d)(3) of the Exchange Act, or who would be considered a “person” for purposes of Section 13(g)(3) of the Exchange Act.

(pp) “Holder” shall mean any holder of Registrable Securities.

(qq) “IFRS” shall have the meaning set forth in Section 8.1(a)(iii).

(rr) “Indemnified Party” shall have the meaning set forth in Section 5.10(c).

(ss) “Indemnifying Party” shall have the meaning set forth in Section 5.10(c).

(tt) “Initial Lock-Up Period” shall have the meaning set forth in Section 4.1(a).

(uu) “Initial Registration Statement” shall have the meaning set forth in Section 5.1.

(vv) “Initiating Holder” shall mean any Holder or Holders who in the aggregate are Holders of more than 50% of the then outstanding Registrable Securities.

(ww) “Insider Trading Policy” shall have the meaning set forth in Section 5.12.

(xx) “Lock-Up Securities” shall have the meaning set forth in Section 4.1(a).

(yy) “New Non-Voting Securities” shall have the meaning set forth in Section 7(a)(i).

(zz) “Other Securities” means securities of Parent sought to be included in a registration other than Registrable Securities.

(aaa) “Ownership Change Determination” shall have the meaning set forth in Section 4.2(b).

(bbb) “Owner Shift Determination” shall have the meaning set forth in Section 4.2(d).

(ccc) “Parent” shall have the meaning set forth in the Recitals.

(ddd) “Parent Securities” means Other Securities sought to be included in a registration for Parent’s account.

(eee) "Person" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or any other entity.

(fff) "Piggyback Notice" shall have the meaning set forth in Section 5.3(a).

(ggg) "Plan of Amalgamation" shall have the meaning set forth in the Recitals.

(hhh) "Pre-Approved Plan" shall have the meaning set forth in Section 7(k).

(iii) "Private Placement" shall have the meaning set forth in Section 7(c).

(jjj) "Proposed Buffer Shares Notice" shall have the meaning set forth in Section 4.2(c)(i).

(kkk) "Prospectus" shall have the meaning set forth in Section 5.5(a).

(lll) "Public Offering" shall have the meaning set forth in Section 7(d).

(mmm) "Quarterly Equity Financing Plan" shall have the meaning set forth in Section 7(k).

(nnn) "Qualified Equity Offering" shall mean an offering by Parent of any Equity Interest in Parent, including Common Stock, preferred stock or securities convertible into or exchangeable for any Equity Interest of the Parent (or securities convertible into or exercisable for such securities), (collectively, "New Equity Interests"); provided, however, that offerings of the following securities shall not constitute a Qualified Equity Offering: (i) securities issued to employees, officers, consultants and directors pursuant to any compensation arrangement of Parent or any of its subsidiaries approved by the Board of Directors of Parent or the compensation committee thereof, (ii) securities issued as consideration in the acquisition of the business or assets of another person by Parent by merger, consolidation, amalgamation or otherwise or the purchase of assets or shares, reorganization, or a partnership, joint venture or strategic alliance or otherwise, approved by the Board of Directors of Parent or a committee thereof, and (iii) securities issued pursuant to or upon conversion or exercise of any rights or agreements, including, without limitation, convertible or exchangeable securities, or options or warrants, approved by the Board of Directors of Parent, provided that either (x) Parent shall have complied with Section 7 with respect to the initial sale or grant by Parent of such rights or agreements or (y) such rights or agreements existed prior to the Closing Date; and (iv) securities issued or issuable in exchanges between Parent or any of its subsidiaries and their securityholders of outstanding debt or convertible debt securities of Parent or any of its subsidiaries for new equity or convertible debt securities of Parent or any of its subsidiaries, not to exceed, in the aggregate in any Basket Period a number of shares of Common Stock equal to three percent (3%) of the shares of Common Stock outstanding as of the first day of such Basket Period, either issued or issuable upon conversion or exchange of such securities (the "Basket"); provided, that with respect to any new convertible debt securities issued pursuant to clause (iv), the number of shares of Common Stock that will be deemed to have been issued or be issuable shall be the incremental number of shares of Common Stock issuable upon conversion of such new convertible debt securities above the number of shares issuable upon conversion of any

outstanding convertible debt securities being exchanged therefor and acquired by Parent or any of its subsidiaries.

(ooo) “Receipt Time” shall have the meaning set forth in Section 10.5(f)(ii).

(ppp) “Registrable Securities” shall mean shares of Common Stock and other equity securities Beneficially Owned by the Stockholder, its Affiliates or any Ten Percent Transferee, including Common Stock that may be issued upon conversion of any notes, other than any shares of Common Stock the sale of which has been registered pursuant to the Securities Act and which shares have been sold pursuant to such registration.

(qqq) “Registration Effective Date” shall have the meaning set forth in Section 5.1.

(rrr) “Registration Rights” shall have the meaning set forth in Section 5.13.

(sss) “Registration Statement” shall have the meaning set forth in Section 5.1.

(ttt) “Revised Effective Price” shall have the meaning set forth in Section 7(a)(ii).

(uuu) “SEC” shall mean the Securities and Exchange Commission.

(vvv) “Section 382 Limitation Period” shall mean the period beginning on the Closing Date and ending on the earlier of (i) the three (3) year anniversary of the Closing Date and (ii) the date on which an “ownership change” of the Parent has occurred for purposes of Section 382 of the Code.

(www) “Section 382 Notice” shall mean a written notice by the Stockholder to Parent with respect to a Section 382 Transfer pursuant to Section 4.2(b) or a Share Acquisition pursuant to Section 4.2(d), as applicable, specifying (i) the number of shares of Common Stock the Stockholder and its Affiliates then Beneficially Own, (ii) the number of shares of Common Stock (or other securities) the Stockholder or its Affiliate proposes to Transfer in such Section 382 Transfer or acquire in such Share Acquisition, as applicable, and (iii) the identity of the transferee or transferor, as applicable.

(xxx) “Section 382 Threshold Price” shall mean, as of the date of any proposed Share Acquisition, US\$2.25 per share of Common Stock or such other price as the parties hereto may subsequently agree in writing (subject to adjustment as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, combination or exchange of shares or other similar change in capitalization that occurs subsequent to the date of this Agreement).

(yyy) “Section 382 Transfer” shall have the meaning set forth in Section 4.2(a)(ii).

(zzz) “Securities Act” shall mean the Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.

(aaaa) "Share Acquisition" shall mean an acquisition, any agreement, to make an acquisition, or any public proposal to acquire (whether directly or indirectly, by purchase, tender or exchange offer) any Common Stock, Voting Securities or Derivative Securities of Parent.

(bbbb) "Special Registration" shall mean a registration on Form S-4 or Form S-8 (or successor form).

(cccc) "Stockholder" shall have the meaning set forth in the Recitals.

(dddd) "Stockholder Buffer Shares" shall have the meaning set forth in Section 4.2(c)(i).

(eeee) "Stockholder Designee" shall have the meaning set forth in Section 6.1(a).

(ffff) "Stockholder Employee Director" shall mean any Stockholder Designee who is an officer or employee of the Stockholder or any of its Affiliates.

(gggg) "Stockholder Percentage" shall mean, as of any date, the quotient, expressed as a percentage, obtained by dividing (x) number of votes the Stockholder is entitled to vote at that time in the election of members of the Board of Directors attributable to Beneficial Ownership of Equity Interests in Parent (assuming no conversion or exercise of any Equity Interests), by (y) the total number of votes outstanding that are entitled at that time to vote in election of members of the Board of Directors by the holders of the outstanding Equity Interests in Parent (assuming no conversion or exercise of any Equity Interests); provided, that to extent that Parent has issued any securities during the Basket Period pursuant to clause (iv) of the definition of Qualified Equity Offering below the Basket and the Stockholder therefore was not entitled to exercise its preemptive rights pursuant to Section 7 of the Agreement in connection with such issuance, such securities shall not be included in clause (y) of this definition until after the later of the one (1) year anniversary of (i) the date of issuance of such securities and (ii) the expiration of the Section 382 Limitation Period.

(hhhh) "Strategic Planning Committee" shall have the meaning set forth in Section 6.1(f)(ii).

(iiii) "STTC" shall mean STT Communications Ltd.

(jjjj) "STTC GC Stock Option Plan" shall mean the STT Communications Ltd. Share Option Plan 2004 by which STTC has granted stock options to purchase shares of Company common stock, of which 617,500 options are outstanding as of the date of this Agreement.

(kkkk) "STTC GC Stock Option" shall mean an option to purchase shares of Company common stock pursuant to the STTC GC Stock Option Plan.

(llll) "Subsidiary" means, with respect to a Person, any corporation, limited liability company, partnership, trust or other entity of which such Person owns (either alone, directly, or indirectly through, or together with, one or more of its Subsidiaries) 50% or more of



the equity interests the holder of which is generally entitled to vote for the election of the board of directors or governing body of such corporation, limited liability company, partnership, trust or other entity.

(mmmm) “Supporting Work Papers” shall have the meaning set forth in Section 7(a)(ii).

(nnnn) “Ten Percent Transferee” shall have the meaning set forth in Section 5.13.

(oooo) “Term Sheet” shall have the meaning set forth in Section 7(e).

(pppp) “Transfer” shall have the meaning set forth in Section 4.3.

(qqqq) “U.S. GAAP” shall have the meaning set forth in Section 8.1(a).

(rrrr) “Wholly Owned Subsidiary” means, with respect to a Person, any corporation, limited liability company, partnership, trust or other entity of which such Person owns (either alone, directly, or indirectly through, or together with, one or more of its Subsidiaries) 100% of the equity interests the holder of which is generally entitled to vote for the election of the board of directors or governing body of such corporation, limited liability company, partnership, trust or other entity.

(ssss) “Voting Agreement” shall mean the voting agreement between Parent and the Stockholder dated as of the date of this Agreement.

(tttt) “Voting Securities” shall mean the shares of the Common Stock and any Equity Interest of Parent having the general voting power under ordinary circumstances to elect members of the Board of Directors, and any other securities which are convertible into, or exchangeable or exercisable for, Voting Securities.

2. Representations and Warranties of Parent. Parent hereby represents and warrants to the Stockholder as follows:

2.1. Authorization. All corporate action on the part of Parent, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement has been taken. When executed and delivered by Parent, this Agreement shall constitute the legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors’ rights generally and by general equitable principles. Parent has all requisite corporate power to enter into this Agreement and to carry out and perform its obligations under the terms of this Agreement.

2.2. Consents. All consents, approvals, orders and authorizations required on the part of Parent in connection with the execution, delivery or performance of this Agreement and the consummation of the transactions contemplated herein have been obtained and are effective, other than (i) such filings required to be made under applicable federal and state securities laws and (ii) any of the foregoing, the failure to make or obtain would not, individually

or in the aggregate, be reasonably expected to have a material adverse effect (a) on Parent and its subsidiaries, taken as a whole, or (b) on the ability of Parent to perform its obligations under this Agreement.

2.3. No Conflict. The execution and delivery of this Agreement by Parent will not conflict with or result in any violation of or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit under (i) any provision of the certificate of incorporation or by-laws of Parent or (ii) any agreement or instrument, permit, franchise, license, judgment, order, statute, law, ordinance, rule or regulations, applicable to Parent or its properties or assets, except, in the case of clause (ii), as would not, individually or in the aggregate, be reasonably expected to have a material adverse effect (a) on Parent and its subsidiaries, taken as a whole, or (b) on the ability of Parent to perform its obligations under this Agreement.

3. Representations and Warranties of Stockholder. The Stockholder hereby represents and warrants to Parent as follows:

3.1. Authorization. All corporate action on the part of the Stockholder, its officers, directors and stockholders necessary for the authorization, execution, delivery and performance of this Agreement has been taken. When executed and delivered by the Stockholder, this Agreement shall constitute the legal, valid and binding obligation of the Stockholder, enforceable against the Stockholder in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and by general equitable principles. The Stockholder has all requisite corporate power to enter into this Agreement and to carry out and perform its obligations under the terms of this Agreement.

3.2. No Conflict. The execution and delivery of this Agreement by the Stockholder will not conflict with or result in any violation of or default by the Stockholder (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit under (i) any provision of the organizational documents of the Stockholder or (ii) any agreement or instrument, permit, franchise, license, judgment, order, statute, law, ordinance, rule or regulations, applicable to the Stockholder or its properties or assets, except, in the case of clause (ii), as would not, individually or in the aggregate, be reasonably expected to have a material adverse effect (a) on the Stockholder or (b) on the ability of the Stockholder to perform its obligations under this Agreement.

3.3. Consents. All consents, approvals, orders and authorizations required on the part of the Stockholder in connection with the execution, delivery or performance of this Agreement have been obtained and are effective, other than (i) such filings required to be made under applicable federal and state securities laws and (ii) any of the foregoing, the failure to make or obtain would not, individually or in the aggregate, be reasonably expected to have a material adverse effect (a) on the Stockholder, or (b) on the ability of the Stockholder to perform its obligations under this Agreement.

3.4. Beneficial Ownership. As of the date hereof, neither the Stockholder nor any of its Subsidiaries Beneficially Own any Voting Securities, and as of Closing Date neither the Stockholder nor any of its Subsidiaries will Beneficially Own any Voting Securities other than the Closing Shares. As of the date hereof, the Stockholder has not formed a Group other than a Group consisting of Stockholder and its Affiliates. The Stockholder shall not take any actions such that it and any other Person or Persons may be deemed to be a Group other than a Group consisting of Stockholder and its Affiliates.

4. Covenants.

4.1. Initial Lock-Up.

(a) During a period of 90 days from and after the Closing Date (the “Initial Lock-Up Period”), the Stockholder shall not, without the prior written consent of Parent, directly or indirectly, (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer any shares of Common Stock, Voting Securities or Derivative Securities, with respect to which the Stockholder has the power of disposition (collectively, the “Lock-Up Securities”) or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of the Lock-Up Securities, whether any such swap or transaction is to be settled by delivery of Common Stock or other securities, in cash or otherwise.

(b) Notwithstanding anything to the contrary in Section 4.1, any Transfers between Stockholder and any Affiliates shall not be prohibited, provided that Parent receives a signed lock up agreement for the balance of the Initial Lock-Up Period from the Affiliate.

(c) Notwithstanding anything to the contrary in Section 4.1, Stockholder and its Affiliates shall be permitted to (i) grant options to purchase Parent Common Stock in connection with the modification or termination of the STTC GC Stock Option Plan or the establishment or adoption of a new compensation plan covering Parent Common Stock ; and (ii) Transfer shares of Parent Common Stock in connection with the exercise of the options described above in clause (i).

(d) The Stockholder also agrees and consents to the entry of stop transfer instructions with Parent’s transfer agent and registrar against the transfer of the Lock-Up Securities during the Initial Lock-up Period except in compliance with the foregoing restrictions, and Parent agrees to cause its transfer agent and registrar to mandatorily remove such stop transfer instructions only upon the expiration of the Initial Lock-up Period.

4.2. Standstill.

(a) During the Designation Period, the Stockholder shall not and shall cause its Affiliates not to, without the prior written consent of the majority of the entire Board of Directors (excluding any representatives or designees of the Stockholder), either directly or indirectly (including in a manner willfully designed to circumvent the following provisions), alone or in concert with others:

(i) in any manner:

A. acquire, agree to acquire or make any public proposal to acquire (whether directly or indirectly, by purchase, tender or exchange offer) any material assets of Parent or any subsidiary of Parent; or

B. make any Share Acquisition unless (x) after giving effect to the Share Acquisition the Stockholder and its Affiliates would Beneficially Own less than 34.5% of the outstanding shares of Common Stock, with the number of outstanding shares calculated based on the number of shares reported outstanding by Parent in its most recent quarterly report of Form 10-Q or annual report on Form 10-K, as filed with the SEC and (y) if the Share Acquisition is to be made during the Section 382 Limitation Period, then (I) the Current Price as of the date of the Share Acquisition is greater than or equal to the Section 382 Threshold Price, (II) the amount of shares to be acquired does not exceed the remaining available Stockholder Buffer Shares (as determined pursuant to Section 4.2(c)), (III) such Share Acquisition is made pursuant to Section 7 of this Agreement, provided that to the extent such Share Acquisition pursuant to this clause (III) would otherwise result in an increase in the percentage of Common Stock of Parent owned by the Stockholder for purposes of Section 382 of the Code, then such portion of the Share Acquisition that would result in such an increase may be effected under this clause (III) only to the extent of the remaining available Stockholder Buffer Shares (as determined pursuant to Section 4.2(c)) or (IV) such Share Acquisition is (X) neither a private acquisition from an existing shareholder who is not a 5 Percent Shareholder nor a public acquisition of stock unless it is an acquisition of shares of a class of stock other than the Common Stock and (Y) would not result in an increase in the Aggregate Section 382 Owner Shift (as determined pursuant to Section 4.2(d));

(ii) Transfer any Common Stock, Voting Securities or Derivative Securities of Parent during the Section 382 Limitation Period if both (A) the Current Price as of the date of such Transfer is less than the Section 382 Threshold Price and (B) the transferee is a holder of Parent's Equity Interests who is not a 5 Percent Shareholder prior to such Transfer but who would become, as a direct result of such Transfer, a 5 Percent Shareholder (any such Transfer, a "Section 382 Transfer"), unless (x) such Section 382 Transfer is made in accordance with Section 4.2(b), (y) the parties otherwise agree in writing not to apply Section 4.2(b) to such Section 382 Transfer or (z) such Section 382 Transfer is pursuant to a tender by the Stockholder of any Common Stock, Voting Securities or Derivative Securities of Parent that it Beneficially Owns pursuant to a tender offer or exchange offer by a third party for such securities that is open to all stockholders of Parent and in all cases subject to Section 4.3 of this Agreement;

(iii) (A) propose to any Person or take substantial steps to effect or enter into any business combination, restructuring, recapitalization or the sale or other disposition outside the ordinary course of business of any material asset of Parent or other

extraordinary transaction involving Parent or any of its subsidiaries; (B) seek election to or seek to place a representative on the Board of Directors except pursuant to the rights granted pursuant to Section 6 hereof; or (C) solicit proxies or shareholder consents or be a participant in any such solicitation for the purpose of seeking to control or influence the Board of Directors except pursuant to the rights granted pursuant to Section 6 hereof;

(iv) form, join or participate in a Group in connection with any of the foregoing (other than a Group consisting of Stockholder and its Affiliates); or

(v) make or cause Parent to make a public announcement regarding any intention of the Stockholder to take an action which would be prohibited by any of the foregoing.

provided, however, that the foregoing shall not restrict the ability of the Stockholder Designees from exercising their fiduciary duties as directors.

(b) Ownership Change Determination Procedures for Section 382 Transfers. If this Section 4.2(b) applies to a Section 382 Transfer by reason Section 4.2(a)(ii), then the Stockholder shall first deliver to Parent a Section 382 Notice of the Stockholder's intent to effect a Section 382 Transfer. Within five (5) Business Days following the date of delivery of a Section 382 Notice, Parent shall deliver to the Stockholder a determination (including supporting analysis) as to whether, in its reasonable judgment based upon advice of outside tax counsel and taking into account (A) Parent's expected rate of issuance of Common Stock and other equity-based compensation to its directors, officers, employees and consultants, which shall be based on historical practices, and (B) other transactions that, in the good faith belief of the Board of Directors of Parent, are reasonably likely to occur, such Section 382 Transfer would be more likely than not to cause an "ownership change" of Parent for purposes of Section 382 of the Code (such an affirmative determination of an "ownership change" by Parent, an "Ownership Change Determination").

(i) If Parent does deliver an Ownership Change Determination to the Stockholder within five (5) Business Days after delivery of a Section 382 Notice, then the Stockholder shall notify Parent within five (5) Business Days after receipt of the Ownership Change Determination as to whether or not the Stockholder agrees with the Ownership Change Determination; provided, however, that the Stockholder shall agree with the Ownership Change Determination to the extent that it is determined on a basis consistent with Parent's past practice and is consistent with a more likely than not determination of applicable law. If the Stockholder does not agree with the Ownership Change Determination, then Parent and the Stockholder shall work in good faith to resolve any disputes relating to the Ownership Change Determination. If Parent and the Stockholder are unable to resolve any such dispute within five (5) Business Days of the Stockholder's delivery of notice to Parent regarding its disagreement with the Ownership Change Determination, such dispute shall be resolved promptly by the Dispute Firm, the costs of which shall be borne equally by Parent and the Stockholder. The Dispute Firm shall be instructed to make the Ownership Change Determination on a basis consistent with Parent's past practice and a more likely than not determination of applicable law. The Stockholder shall not effect any Section 382 Transfer to which this Section 4.2(b)

applies if either the Stockholder or the Dispute Firm agrees with Parent's Ownership Change Determination.

(ii) If Parent does not deliver a notice of an Ownership Change Determination to the Stockholder within five (5) Business Days after delivery of a Section 382 Notice, then the Stockholder may effect such Section 382 Transfer within 30 calendar days following such delivery of such Section 382 Notice provided that such Section 382 Transfer is otherwise in compliance with Section 4.2(a)(ii).

(c) Buffer Shares Determination Procedures

(i) Prior to the beginning of the first calendar quarter after the Closing Date, Parent shall determine the maximum number of shares of Common Stock that could be acquired by the Stockholder (other than from Parent) and would not be more likely than not to cause an "ownership change" of Parent for purposes of Section 382 of the Code (the amount of such shares for any given quarter as agreed to by the Stockholder or the Dispute Firm, the "Buffer Shares"). During the Section 382 Limitation Period, on a quarterly basis (or more frequently as determined by Parent), Parent shall update the number of Buffer Shares, ignoring, for this purpose, issuances of Parent's Equity Interests by Parent after the Closing Date (to the extent such issuances would have otherwise reduced the number of Buffer Shares) and purchases by the Stockholder of Parent's Equity Interests after the Closing Date. Parent shall provide notice to the Stockholder no later than ten (10) Business Days prior to the start of each quarter of (i) the proposed number of Buffer Shares for such quarter (the "Proposed Buffer Shares Notice") and (ii) copies of any documents used in their Section 382 analysis. The Stockholder shall notify Parent within five (5) Business Days after receipt of the Proposed Buffer Shares Notice as to whether or not the Stockholder agrees with the Proposed Buffer Shares Notice; provided, however, that the Stockholder shall agree with the Proposed Buffer Shares Notice to the extent that it is determined on a basis consistent with Parent's past practice and is consistent with a more likely than not determination of applicable law. If the Stockholder does not agree with the Proposed Buffer Shares Notice, then the dispute shall be resolved in accordance with the procedures in Section 4.2(c)(ii). Parent agrees that during the applicable quarter (or shorter period) of the Section 382 Limitation Period the Stockholder may acquire a number of shares of Common Stock equal to the Buffer Shares for such quarter (or shorter period) multiplied by the Closing Share Percentage (the "Stockholder Buffer Shares"), provided that Stockholder gives notice to Parent within five (5) Business Days of its intention to acquire any amount of such Stockholder Buffer Shares. Notwithstanding the foregoing, if the Stockholder has Transferred any shares of Common Stock other than to Affiliates, then this Section 4.2(c) shall have no further force or effect and the Buffer Shares and Stockholder Buffer Shares shall be deemed to be zero. Notwithstanding anything to the contrary herein, and for the avoidance of doubt, the number of Stockholder Buffer Shares that may be acquired by Stockholder at any time shall be reduced by the cumulative number of Stockholder Buffer Shares previously acquired by Stockholder.

(ii) If the Stockholder does not agree with the Proposed Buffer Share Notice then Parent and the Stockholder shall work in good faith to resolve any disputes

relating to the Proposed Buffer Share Notice. If Parent and the Stockholder are unable to resolve any such dispute within five (5) Business Days of the Stockholder's delivery of notice to Parent regarding its disagreement with the Proposed Buffer Share Notice, such dispute shall be resolved promptly by the Dispute Firm, the costs of which shall be borne equally by Parent and the Stockholder. The Stockholder shall not effect any Share Acquisition to which this Section 4.2(c) applies until the Stockholder agrees with Parent's Proposed Buffer Share Notice or any dispute regarding Parent's Proposed Buffer Share Notice is resolved in the Stockholder's favor.

(iii) In the event that the Stockholder desires to effect a Share Acquisition in excess of the Stockholder Buffer Shares, it may request that Parent grant it a waiver from this Agreement, or any applicable portion thereof, to make such Share Acquisition and Parent shall consider any such waiver request in good faith.

(d) Aggregate Section 382 Owner Shift Determination Procedures. If this Section 4.2(d) applies to a Share Acquisition by reason Section 4.2(a)(i)(B)(y)(IV), then the Stockholder shall first deliver to Parent a Section 382 Notice of the Stockholder's intent to effect such Share Acquisition. Within five (5) Business Days following the date of delivery of a Section 382 Notice, Parent shall deliver to the Stockholder a determination (including supporting analysis) as to whether, in its reasonable judgment based upon advice of outside tax counsel, such Share Acquisition would be more likely than not to result in an increase in the Aggregate Section 382 Owner Shift (such an affirmative determination, an "Owner Shift Determination").

(i) If Parent does deliver an Owner Shift Determination to the Stockholder within five (5) Business Days after delivery of a Section 382 Notice, then the Stockholder shall notify Parent within five (5) Business Days after receipt of the Owner Shift Determination as to whether or not the Stockholder agrees with the Owner Shift Determination; provided, however, that the Stockholder shall agree with the Owner Shift Determination to the extent it is prepared on a basis consistent with Parent's past practice and is consistent with a more likely than not determination of applicable law. If the Stockholder does not agree with the Owner Shift Determination, then Parent and the Stockholder shall work in good faith to resolve any disputes relating to the Owner Shift Determination. If Parent and the Stockholder are unable to resolve any such dispute within five (5) Business Days of the Stockholder's delivery of notice to Parent regarding its disagreement with the Owner Shift Determination, such dispute shall be resolved promptly by the Dispute Firm, the costs of which shall be borne equally by Parent and the Stockholder. The Dispute Firm shall be instructed to make the Owner Shift Determination on a basis consistent with Parent's past practice and a more likely than not determination of applicable law. The Stockholder shall not effect any Share Acquisition to which this Section 4.2(d) applies if either the Stockholder or the Dispute Firm agrees with Parent's Owner Shift Determination.

(ii) If Parent does not deliver a notice of an Owner Shift Determination to the Stockholder within five (5) Business Days after delivery of a Section 382 Notice, then the Stockholder may effect such Share Acquisition within 30 calendar days

following such delivery of such Section 382 Notice provided that such Share Acquisition is otherwise in compliance with Section 4.2 (a)(i).

(e) Notwithstanding anything to the contrary in this Agreement, any Transfers between Stockholder and any Affiliates that are Wholly Owned Subsidiaries of Singapore Technologies Telemedia Pte Ltd shall not be prohibited or subject to Section 4.2.

(f) For the avoidance of doubt, nothing in this Agreement shall limit or prohibit Parent from taking any action that would result in an “ownership change” of Parent for purposes of Section 382 of the Code, provided, however, that during the Section 382 Limitation Period, Parent shall both obtain the approval of the Board of Directors and consult with the Stockholder prior to taking any such action unless, in Parent’s reasonable judgment, such action will not result in an “ownership change” of Parent for purposes of Section 382.

4.3. Transfer Restrictions. From and after the end of the Initial Lock-up Period and until the end of the Designation Period, the Stockholder shall not (i) sell, assign, pledge, transfer or otherwise dispose or encumber (other than in open market transactions effected through a broker) (“Transfer”) any shares of Common Stock that it Beneficially Owns to any Person or Persons that it has actual knowledge, after due inquiry, is a Competitor, (ii) Transfer any shares of Common Stock in violation of Section 4.2(a)(ii) of this Agreement, or (iii) Transfer to any one Person any number of shares of Common Stock that would result in such Person Beneficially Owning immediately after such Transfer in excess of the aggregate of (x) the Closing Share Percentage and (y) 5.0% of the outstanding shares of Common Stock less one share of Common Stock, provided that in no circumstances may Stockholder Transfer more than the number of shares equal to the number of outstanding shares of Common Stock multiplied by the Closing Share Percentage. Notwithstanding the foregoing, the Stockholder shall be permitted to tender any shares of Common Stock it Beneficially Owns pursuant to a tender offer or exchange offer by a third party for shares of Common Stock that is open to all stockholders of Parent. Notwithstanding anything to the contrary in Section 4.3, any Transfers between Stockholder and any Affiliates shall not be prohibited.

4.4. Termination of Certain Provisions. In the event that, pursuant to Section 3.5 of the Voting Agreement dated as of the date of this Agreement, between Parent and the Stockholder, the Stockholder is required to enter into a network security agreement that requires one or more of the individuals to be designated by the Stockholder, pursuant to this Agreement or Section 7.11 of the Plan of Amalgamation, to the Board of Directors to meet specified qualification criteria in order to serve as a member of the Board of Directors, then Sections 4.2(a)(ii), 4.2(b) and 4.3(ii) of this Agreement shall terminate and shall be of no further force or effect.

## 5. Registration of Shares.

5.1. Shelf Registration Statement. As soon as reasonably practicable after the Closing Date and in any event within forty-five (45) calendar days following the Closing Date, Parent shall prepare, file and use reasonable best efforts to have declared effective by SEC a shelf registration statement, relating to the offer and sale by the Holder(s) at any time and from time to time on a delayed or continuous basis in accordance with Rule 415 under the Securities



Act and in accordance with this Agreement, of all the Closing Shares and any other Registrable Securities then held by the Holder(s) (the “Initial Registration Statement”). Within thirty (30) calendar days of receipt of a written request from the Initiating Holder, which request may be made by the Initiating Holder one time per calendar quarter, Parent shall prepare, file and use reasonable best efforts to have declared effective by the SEC an additional shelf registration statement, relating to the offer and sale by the Holder(s) at any time and from time to time on a delayed or continuous basis in accordance with Rule 415 under the Securities Act and in accordance with this Agreement, of any Registrable Securities acquired after the Closing Date; provided, that such securities were not acquired in violation of this Agreement (each a “Registration Statement” and, together with the Initial Registration Statement, the “Registration Statements”). If, at the time of filing of a Registration Statement, the Registration Statement is eligible to become effective upon filing pursuant to Rule 462(e) (or any successor rule) under the Securities Act, Parent shall file the Registration Statement as an automatic shelf registration statement pursuant to such rule. If the Registration Statement is not so eligible to become effective upon filing, Parent shall use its reasonable best efforts to have the Registration Statement declared effective as promptly as practicable (with such date on which the Registration Statement becomes effective referred to as the “Registration Effective Date”). Promptly (i) upon the filing thereof in the case of an automatic shelf or (ii) upon receipt of an order of the SEC declaring the Registration Statement effective, Parent shall deliver to the Holder(s) included in the Registration Statement a copy of such Registration Statement and any amendments thereto together with an opinion of counsel representing Parent for the purposes of such Registration, in form and substance reasonably acceptable to the Holder(s), addressed to the Holder(s), including, confirming that the Registration Statement is effective and that all of the Closing Shares and any other Registrable Securities have been duly registered and, subject to the transfer restrictions contained in Section 4 of this Agreement, are freely transferable and that all of the Closing Shares and any other Registrable Securities have been admitted for listing on the NASDAQ Global Select Market.

5.2. Demand Rights.

(a) If Parent shall receive from an Initiating Holder a written notice (a “Demand Notice”) that the Initiating Holder intends to distribute, by means of an underwritten offering, any shares of Common Stock or any other Registrable Securities under an effective Registration Statement filed pursuant to Section 5.1, Parent will cooperate with the Initiating Holder to consummate such offering and shall file a prospectus supplement with respect to the offering within thirty (30) days of receipt of the Demand Notice, subject to Section 5.5(d). The Demand Notice shall specify the number of shares of Common Stock or any other Registrable Securities to be offered by the Initiating Holder.

(b) In no event shall Parent be obligated to effect more than three (3) underwritten offerings pursuant to Demand Notices given pursuant to Section 5.2(a) (each, a “Demand”). Notwithstanding any provision of this Agreement to the contrary, the Initiating Holder will not be deemed to have made or utilized a Demand (x) if, as a result of the application of Section 5.2(a), the Initiating Holder was unable to sell at least 75% of the number of shares of Common Stock or any other Registrable Securities the Initiating Holder included in its Demand, or (y) if such Demand was withdrawn pursuant to Section 5.2(c) and, if applicable, the Initiating Holder has reimbursed Parent for any out-of-pocket expenses incurred by Parent

in connection with such Demand. The Initiating Holder shall not be entitled to make a Demand pursuant to Section 5.2(a) unless the Initiating Holder is requesting the offering of shares of Common Stock or any other Registrable Securities with an aggregate estimated market value of at least US\$50,000,000 as of the date of the Demand Notice.

(c) Withdrawal. The Initiating Holder may elect to withdraw a Demand pursuant to this Section 5.2 at any time, and the Parent shall cease its efforts to assist with such offering.

5.3. Piggyback Rights.

(a) In the event that Parent at any time proposes to conduct a registered public underwritten offering of shares of Common Stock for cash, whether or not for sale for its own account, subject to the last sentence of this Section 5.3(a), it shall at each such time give prompt written notice (the “Piggyback Notice”) to each Holder of its intention to do so, which Piggyback Notice shall specify, to the extent then known, the number of shares of Common Stock to be offered; provided that if Parent has not yet determined the number of shares of Common Stock to be offered, the Piggyback Notice may specify a range of Share numbers that Parent is then contemplating and Parent shall undertake to inform the Holder(s) upon a final determination regarding the size of the offering, but the initial Piggyback Notice shall be deemed to constitute adequate notice for purposes of this Agreement. Upon the written request of a Holder made within five (5) Business Days after receipt of the initial Piggyback Notice by such Holder (which request shall specify the number of shares of Common Stock intended to be disposed of by such Holder), subject to the other provisions of this Section 5, Parent shall include in such offering all of the shares of Common Stock held by such Holder which Parent has been so requested to include. Notwithstanding anything to the contrary contained in this Section 5.3, Parent shall not be required to include any shares of Common Stock held by a Holder in any offering pursuant to any Special Registration or any other form that would not be available for registration of the Holder’s shares of Common Stock.

(b) Determination Not to Conduct Offering. If at any time after giving such Piggyback Notice and prior to the filing of a final prospectus supplement in connection with such offering, Parent shall determine for any reason not to offer the securities originally intended to be included in such offering, Parent may, at its election, give written notice of such determination to the Holders and thereupon Parent shall be relieved of its obligation to include the Holders’ shares of Common Stock in the offering, without prejudice, however, to the right of an Initiating Holder immediately to request that such shares be offered in an underwritten offering under Section 5.2 to the extent permitted hereunder.

(c) Cutbacks in Parent Offering. If the offering referred to in the first sentence of Section 5.3(a) is to be an underwritten offering on behalf of Parent, and the lead underwriter or managing underwriter advises Parent in writing (with a copy to the Holder(s)) that, in such firm’s good faith view, the number of Other Securities and Registrable Securities requested to be included in such registration exceeds the number which can be sold in such offering without being likely to have a significant adverse effect upon the price, timing or distribution of the offering and sale of the Other Securities and Registrable Securities then contemplated, Parent shall include in such registration:

- (i) first, all Parent Securities;
- (ii) second, the shares of Common Stock requested to be included in such registration by the Holder(s), *pro rata* among the Holder(s) on the basis of the number of shares owned by each such Holder; and
- (iii) third, any other securities eligible to be included in such registration, *pro rata* among the holders of such securities on the basis of the number of shares owned by each such holder.

(d) Cutbacks in Other Offerings. If the offering referred to in the first sentence of Section 5.3(a) is to be an underwritten offering other than on behalf of Parent, and the lead underwriter or managing underwriter advises the Holder(s) in writing (with a copy to Parent) that, in such firm's good faith view, the number of Registrable Securities and Other Securities requested to be included in such registration exceeds the number which can be sold in such offering without being likely to have a significant adverse effect upon the price, timing or distribution of the offering and sale of the Registrable Securities and Other Securities then contemplated, Parent shall include in such registration:

- (i) first, the Other Securities held by any holder thereof with a contractual right to include such Other Securities in such registration prior to any other Person;
- (ii) second, the shares of Common Stock requested to be included in such registration by the Holder(s), *pro rata* among the Holder(s) on the basis of the number of shares owned by each such Holder; and
- (iii) third, any other securities eligible to be included in such registration, *pro rata* among the holders of such securities on the basis of the number of shares owned by each such holder.

5.4. Adjustment. If at any time a Holder's Registrable Securities as a class shall have been increased, decreased, changed into or exchanged for a different number or class of shares or securities as a result of a reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, combination or exchange of shares or other similar change in capitalization, then an appropriate and proportionate adjustment shall be made to the number of such Holder's Registrable Securities for all purposes under this Section 5.

5.5. Maintenance of Registration Statement and Prospectuses.

(a) Parent shall use its reasonable best efforts to keep any Registration Statements to be filed pursuant to Section 5.1 and the prospectus contained therein (as amended or supplemented from time to time, the "Prospectuses" and each a "Prospectus") continuously effective until the termination of the Registration Rights pursuant to Section 5.9. In the event any Registration Statement cannot be kept effective for such period, Parent shall use its reasonable best efforts to prepare and file with the SEC and have declared effective as promptly as practicable another registration statement on the same terms and conditions as such initial Registration Statement and such new registration statement shall be considered the applicable

Registration Statement for purposes hereof. Parent shall furnish to each Holder such number of copies of a Prospectus in conformity with the requirements of the Securities Act, and an electronic copy of the Prospectus to facilitate the disposition of the Registrable Securities owned by such Holder.

(b) Parent shall advise the Holder(s) promptly in writing when any Registration Statement, or any post-effective amendment thereto, has been declared effective by the SEC. Parent shall advise the Holder(s) in writing of the receipt by Parent of any stop order from the SEC suspending the effectiveness of any Registration Statement, and if at any time there shall be a stop order suspending the effectiveness of any Registration Statement, Parent shall use its reasonable best efforts to obtain promptly the withdrawal of such order. Parent shall advise the Holder(s) promptly in writing of the existence of any fact and the happening of any event that makes any statement of a material fact made in any Registration Statement or Prospectus untrue, or that requires the making of any additions to or changes in any Registration Statement or Prospectus in order to make the statements therein not misleading and in such event Parent shall prepare and file with the SEC, as soon as reasonably practicable, an amendment to such Registration Statement or an amendment or supplement to such Prospectus or a Current Report on Form 8-K, as the case may be, so that, as so amended or supplemented, such Registration Statement and such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances then existing, not misleading. Upon receipt of such written advice, the Holder(s) shall discontinue and refrain from making any sales of Registrable Securities, until such time as Parent advises the Holder(s) that such Registration Statement or such Prospectus no longer contains an untrue statement or omission of a material fact.

(c) The Holder(s) shall furnish to Parent such information regarding such party and the distribution of the Registrable Securities as Parent may from time to time reasonably request in writing in order to comply with the Securities Act. The Holder(s) shall notify Parent as promptly as practicable of any inaccuracy or change in information previously furnished by it to Parent or of the happening of any event in either case as a result of which any Prospectus relating to a Registration Statement contains an untrue statement of a material fact regarding such party or the distribution of such Registrable Securities, or omits to state any material fact regarding such party or the distribution of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing, and to furnish promptly to Parent any additional information required to correct or update any previously furnished information or required so that such Prospectus shall not contain, with respect to such party or the distribution of such Registrable Securities an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing.

(d) Notwithstanding anything to the contrary contained herein, for a period not to exceed forty-five (45) consecutive calendar days and not to exceed ninety (90) aggregate calendar days in any twelve-month period (each a "Black Out Period"), Parent will not be required to file any Registration Statement pursuant to this Section 5, file any amendment thereto, furnish any supplement to a prospectus included in a Registration Statement pursuant to

this Agreement, make any other filing with the SEC required pursuant to this Agreement, cause any Registration Statement or other filing with the SEC to become effective, or take any similar action (including, without limitation, in connection with a Demand given pursuant to Section 5.2(a)), and any and all sales of Registrable Securities by the Holder(s) pursuant to an effective registration statement shall be suspended: (i) if an event has occurred and is continuing as a result of which any such registration statement or prospectus would, in Parent's good faith judgment, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) if Parent notifies the Holder(s) that such actions would, in Parent's good faith judgment, require the disclosure of material non-public information which the Board of Directors has determined would be seriously detrimental to Parent to disclose and which Parent would not otherwise be required to disclose or (iii) if Parent notifies the Holder(s) that, in Parent's good faith judgment, it is necessary to suspend sales of Registrable Securities by the Holder(s), to facilitate a pending or proposed public or Rule 144A offering by Parent of Common Stock or Common Stock Equivalents (as defined below). Upon the termination of the condition described in clauses (i), (ii) or (iii) above, Parent shall promptly give written notice to the Holder(s) and shall promptly file any registration statement or amendment thereto required to be filed by it pursuant to this Agreement, furnish any prospectus supplement or amendment required to be furnished pursuant to this Agreement, make any other filing with the SEC required of it, take any similar action (including, without limitation, in connection with a Demand given pursuant to Section 5.2(a)) or terminate any suspension of sales it has put into effect and shall take such other actions to permit registered sales of Registrable Securities by the Holder(s) as contemplated by this Agreement. For purposes of this Agreement, "Common Stock Equivalents" shall mean any rights, warrants, options, convertible securities or indebtedness, exchangeable securities or indebtedness, or other rights, exercisable for or convertible or exchangeable into, directly or indirectly, Common Stock and securities convertible or exchangeable into Common Stock, whether at the time of issuance or upon the passage of time or the occurrence of any future event.

(e) Parent shall take all actions necessary to execute such documents and cause all of the Registrable Securities owned by the Holder(s) to be admitted for listing on the NASDAQ Global Select Market, which listing shall be effective on the Registration Effective Date.

5.6. Blue Sky. In connection with the registration under Section 5, Parent shall take all actions necessary to permit the resale by the Holder(s) of any Registrable Securities under the blue sky laws of the several states, except that Parent shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this Section 5.6 be obligated to be so qualified, subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction.

5.7. Expenses. All expenses incident to Parent's performance of or compliance with this Section 5 will be borne by Parent, including, without limitation, all: (i) registration and filing fees and expenses; (ii) expenses of printing; (iii) fees and expenses of counsel for Parent; and (iv) fees and expenses of one counsel for the Holder(s), provided, however, such fees pursuant to this clause (iv) shall not exceed US\$25,000 in the aggregate.

Notwithstanding the foregoing, Parent shall not be liable for and shall not pay any expenses or fees of more than one counsel for the Holder(s) or any commissions to be paid in connection with any sale of the Registrable Securities by the Holder(s).

5.8. Marketing. In the event of an underwritten offering of Registrable Securities, Parent and the Holder(s) will negotiate in good faith and enter into reasonable and customary agreements (including underwriting agreements in reasonable and customary form, which may include, in the case of an underwritten offering on a firm commitment basis, customary “lock-up” obligations) and take such other actions (including using its best efforts to make such road show presentations (but in no event will Parent be required to incur travel and lodging expenses in excess of US\$25,000 in connection with all road shows attended by Parent management in any twelve month period) and otherwise engage in such reasonable marketing support in connection with any such underwritten offering, including the obligation to make its executive officers available for such purpose if so requested by the managing underwriter for such offering) as are reasonably requested by the managing underwriter in order to expedite or facilitate the sale of such Registrable Securities.

5.9. Termination of Registration Rights. The obligations of Parent under this Section 5 shall: (i) with respect to the Stockholder or any of its Affiliate, terminate upon the date on which the Stockholder Percentage falls below ten percent; and (ii) with respect to a Ten Percent Transferee (other than the Stockholder or any of its Affiliate), terminate upon the date on which the stockholder percentage of such Ten Percent Transferee falls below ten percent. For the purposes of this Section 5.9(ii), the term “stockholder percentage” shall bear the same meaning as the term “Stockholder Percentage” as defined in Section 1(gggg), except that the reference to the term “Stockholder” in Section 1(gggg) shall be substituted with such Ten Percent Transferee.

5.10. Indemnification.

(a) Parent will, and does hereby agree to, indemnify and hold harmless the Holder(s), and each of their directors, officers, employees and agents and each person controlling the Holder(s) with respect to any registration effected pursuant to Section 5 against all claims, losses, damages, and liabilities (or actions in respect thereto) including any of the foregoing incurred in settlement of any litigation, commenced or threatened, to which the Holder(s) may become subject under the Securities Act, the Exchange Act, or other federal or state law insofar as such claims, losses, damages or liabilities (or actions in respect thereto) arise out of or are based on any untrue statement (or alleged untrue statement) of a material fact contained in any registration statement or prospectus relating to the Registrable Securities, or other document, or any amendment or supplement thereto, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each such party for any legal and any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action; provided that Parent will not be liable in any such case to the extent that any such claim, loss, damage, liability or expense arises out of or is based on any untrue statement or omission based upon written information furnished to Parent by such party and stated to be specifically for use therein and provided further, that Parent shall only reimburse such parties for the fees and expenses of a single legal counsel for all such parties.

(b) Each Holder will, severally based on Registrable Securities sold pursuant to a registration effected pursuant to Section 5, but not jointly, if Registrable Securities held by or issuable to it are included in a registration effected pursuant to this Agreement, indemnify Parent, each of its directors and officers, each person controlling Parent and the officers and directors of each such controlling person against all claims, losses, damages, and liabilities (or actions in respect thereof) including any of the foregoing incurred in settlement of any litigation, commenced or threatened, arising out of or based on any untrue statement (or alleged untrue statement) of a material fact contained in the Registration Statement or the Prospectus included therein, or any omission (or alleged omission) to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse Parent, and each such director, officer and controlling person, for any legal or any other expenses reasonably incurred in connection with investigating or defending any such claim, loss, damage, liability, or action, in each case to the extent, but only to the extent that such untrue statement (or alleged untrue statement) or omission (or alleged omission) was made in such Registration Statement or Prospectus, in reliance upon and in conformity with written information furnished to Parent by such Holder and stated to be specifically for use therein. Notwithstanding the foregoing, the liability of such Holder under this Section 5.10 shall be limited in an amount equal to the per share sales price (less any underwriting discounts and commissions) multiplied by the number of Registrable Securities sold by such Holder pursuant to the Registration Statement.

(c) Each party entitled to indemnification under this Section 5.10 (the “Indemnified Party”) shall give written notice to the party required to provide such indemnification (the “Indemnifying Party”) of any claim as to which indemnification may be sought promptly after such Indemnified Party has actual knowledge thereof, and shall permit the Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom; provided that counsel for the Indemnifying Party, who shall conduct the defense of such claim or litigation, shall be subject to approval by the Indemnified Party (whose approval shall not be unreasonably withheld) and after the Indemnifying Party assumes the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in the reasonable judgment of the Indemnified Party, representation of such Indemnified Party by such counsel would be inappropriate due to actual or potential differing interests between such Indemnified Party and the Indemnifying Party in such proceeding in which case such Indemnified Party shall have the right to employ separate counsel to participate in such defense at the expense of the Indemnifying Party; it being understood that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations, be liable for the reasonable fees and expenses of more than one separate firm of attorneys at any time for all such Indemnified Parties provided, however, that the Indemnifying Party shall bear the expenses of independent counsel for the Indemnified Party if the Indemnified Party reasonably determines that representation of more than one party by the same counsel would be inappropriate due to actual or potential conflicts of interest between the Indemnified Party and the Indemnifying Party; and provided further that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 5, except to the extent that such failure to give notice shall materially adversely affect the Indemnifying Party in the defense of any such claim or any such litigation. No

Indemnifying Party, in the defense of any such claim or litigation, shall, except with the consent of each Indemnified Party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff therein, to such Indemnified Party, of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in subsection (a) or (b) of this Section 5.10 is for any reason unavailable to a party to be indemnified with respect to any claims, actions, demands, losses, damages, liabilities, costs or expenses referred to therein, then each Indemnifying Party under any such subsection, in lieu of indemnifying such Indemnified Party thereunder, hereby agrees to contribute to the amount paid or payable by such Indemnified Party as a result of such claims, actions, demands, losses, damages, liabilities, cost or expenses in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and of the Indemnified Party on the other in connection with the statements or omissions which resulted in such claims, actions, demands, losses, damages, liabilities, costs or expenses, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Party and of the Indemnified Party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or by the Indemnified Party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. Notwithstanding the foregoing, the amount each Holder shall be obligated to contribute pursuant to this subsection (d) shall be limited to an amount equal to the per share sale price (less any underwriting discount and commissions) multiplied by the number of Registrable Securities sold by such Holder pursuant to the Registration Statement which gives rise to such obligation to contribute (less aggregate amount of any damages which such party has otherwise been required to pay in respect of such claim, action, demand, loss, damage, liability, cost or expense or any substantially similar claim, action, demand, loss, damage, liability, cost or expense arising from the sale of such Registrable Securities). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution hereunder from any person who was not guilty of such fraudulent misrepresentation. The obligations of each Holder under this paragraph will be several (based on Registrable Securities sold by such Holder pursuant to a registration effected pursuant to this Agreement) and not joint.

5.11. Rule 144 Reporting. With a view to making available to the Holder(s) the benefits of certain rules and regulations of the SEC which may permit the sale of the Registrable Securities to the public without registration, Parent agrees to use its best efforts to:

(a) comply, on a timely basis with all the reporting requirements of the Exchange Act, and comply with all other public information reporting requirements of the SEC as a condition to the availability of an exemption from the Securities Act under Rule 144 thereunder, as amended from time to time, or successor rule thereto, for the sale of Registrable Securities by the Holder(s);

(b) provide, at Parent's expense, such opinion of counsel as may be reasonably requested by the transfer agent for the Registrable Securities in connection with each sale of Registrable Securities pursuant to an exemption from the registration requirements of the



Securities Act (under Rule 144 thereunder, as amended from time to time, or successor rule thereto or otherwise) or otherwise, so long as the Holder(s) have furnished to counsel documentation reasonably acceptable to such counsel related to the transfer and the Registrable Securities;

(c) whenever the Holder(s) is able to demonstrate to Parent that the provisions of Rule 144 (or any successor rule) under the Securities Act are available to it and have furnished to Parent such documentation in connection therewith as Parent may reasonably request, provide, at Parent's expense, new certificates that do not bear a restrictive legend; and

(d) so long as the Holder(s) own any Registrable Securities, furnish to such party forthwith upon request, a copy of the most recent annual or quarterly report of Parent, and such other reports and documents as such party may reasonably request in availing itself of any rule or regulation of the SEC allowing it to sell any such Registrable Securities without registration; provided that such reports are not otherwise available to the Holder(s) on the SEC's Edgar website.

5.12. The Stockholder acknowledges and agrees that (i) it is aware that the United States securities laws prohibit any persons who have material, nonpublic information regarding a company from purchasing or selling securities of that company and from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities in reliance upon such information and (ii) Parent maintains a policy, a copy of which is attached hereto as Exhibit A (the "Insider Trading Policy"), regarding the trading of Parent securities by directors and officers of Parent, including time periods during which such securities may and may not be sold, and that during the Designation Period the Stockholder shall be subject to such Insider Trading Policy as in effect on the date hereof as if it were a director of Parent so long as there are any Stockholder Employee Directors on the Board of Directors.

5.13. Assignment of Registration Rights. Any or all of the rights of the Stockholder set forth in Section 5, including the right to have the Parent register for resale Registrable Securities in accordance with the terms of this Agreement (the "Registration Rights"), shall be assignable by the Stockholder, without the consent of the Parent, to any Person (a "Ten Percent Transferee") to whom ten percent (10%) or more of the outstanding shares of Common Stock are proposed to be Transferred if: (i) the Parent is, within a reasonable time after such Transfer or assignment, furnished with written notice of (a) the name and address of such transferee or assignee, (b) the securities with respect to which such registration rights are being transferred or assigned, and (c) the specific Registration Rights which have been assigned; to such transferee or assignee; and (ii) such Transfer shall have been made in accordance with the applicable requirements of this Agreement and applicable law.

6. Board of Directors.

6.1. Stockholder Designees.

(a) Effective as of the Closing Date, the Board of Directors shall appoint to the Board of Directors that number of directors designated by the Stockholder (each, a

“Stockholder Designee”) calculated in accordance with Schedule B hereto. Thereafter, the Stockholder shall have the right to nominate for election to the Board of Directors that number of Stockholder Designees equal to the total number of directorships established by the Board of Directors from time to time, multiplied by the Stockholder Percentage, in each case at the time of the nomination, rounded up or down to the nearest whole number (with 0.5 being rounded up), provided, that the Stockholder will be entitled to nominate at least two (2) directors for election to the Board of Directors in accordance with this Section 6.1(a) so long as the Stockholder Percentage is equal to at least fifteen percent (15%) and the Stockholder will be entitled to nominate at least one (1) director for election to the Board of Directors in accordance with this Section 6.1(a) so long as the Stockholder Percentage is equal to at least ten percent (10%) and, provided, further that for purposes of calculating the Stockholder Percentage no shares of Voting Securities acquired by the Stockholder in violation of this Agreement will be included.

(b) Notwithstanding anything herein to the contrary, if the Stockholder has not Transferred any Voting Securities prior to the applicable time of nomination during such three (3) year period commencing from the Closing Date, except for Voting Securities Transferred to an Affiliate, the Stockholder shall have the right to nominate at least the number of Stockholder Designees that Stockholder has the right to nominate on the Closing Date; provided, however if, prior to the third anniversary of Closing, (x) Parent issued equity securities in a Qualified Equity Offering, (y) the Stockholder was prohibited from exercising its pre-emptive rights pursuant to Section 7 of this Agreement in such Qualified Equity Offering as a result of the limitations imposed on the Stockholder pursuant to Section 4.2(a)(i)(B) of this Agreement and (z) as a result of such prohibition of the Stockholder’s ability to exercise its pre-emptive rights the number of Stockholder Designees that the Stockholder has the right to nominate would have decreased below the number of Stockholder Designees that Stockholder has the right to nominate on the Closing Date, then this Section 6.1(b) shall continue in effect until the earlier of (x) the four (4) year anniversary of the Closing Date and (y) the one (1) year anniversary of the expiration of the Section 382 Limitation Period, but in no event shall it continue in effect for less than three (3) years commencing from the Closing Date. For the avoidance of doubt, any transfers to an Affiliate will not be considered a Transfer of Voting Securities for purposes of this Section 6.1(b).

(c) In the event of the death, disability, resignation or removal of the Stockholder Designee, Parent shall cause, subject to the fiduciary duties of the members of the Nominating and Governance Committee, any applicable regulation or listing requirement of the NASDAQ or other securities exchange on which the Common Stock is listed for trading and any applicable provisions of any network security agreement between Parent, Stockholder and any Governmental Entity (as defined in the Plan of Amalgamation) (provided, that in the event that Parent is unable to nominate an individual identified by the Stockholder, Parent shall so inform the Stockholder and the Stockholder shall be entitled to designate a different individual within five (5) Business Days of receipt of such notice), the prompt election to the Board of Directors a replacement director designated by the Stockholder to fill the resulting vacancy, and such individual shall then be deemed an Stockholder Designee for all purposes under this Agreement.

(d) Stockholder acknowledges that Parent has corporate governance guidelines in effect which would apply to all of Parent's directors including the Stockholder Designees, and such guidelines shall not apply to Stockholder or affect in any way Stockholder's rights under this Agreement.

(e) During the Designation Period, the Parent shall provide notification in writing of the anticipated filing date of definitive proxy materials (or if applicable, preliminary proxy materials) with the SEC for an annual general meeting or any special meeting at which directors are elected, of the applicable year, and Stockholder shall be required to identify in writing its proposed Stockholder Designees at least 30 calendar days prior to such date of anticipated filing of the definitive proxy materials (or if applicable, preliminary proxy materials) with the SEC, as well as submit completed director and officer questionnaires provided by Parent within a reasonable period of time of receipt of such questionnaires from Parent, and the Nominating and Corporate Governance Committee of the Board of Directors of Parent shall, subject to the fiduciary duties of the members of the Nominating and Governance Committee, any applicable regulation or listing requirement of the NASDAQ or other securities exchange on which the Common Stock is listed for trading and any applicable provisions of any network security agreement between Parent, Stockholder and any Governmental Entity (as defined in the Plan of Amalgamation) (provided, that in the event that Parent is unable to nominate an individual identified by the Stockholder, Parent shall so inform the Stockholder and the Stockholder shall be entitled to designate a different individual within five (5) Business Days of receipt of such notice), at any annual or special meeting of shareholders of Parent at which directors are to be elected, and at every adjournment thereof, and in every action or approval by written consent of shareholders of Parent in lieu of such a meeting, nominate the Stockholder Designees for election to the Board of Directors. Parent's proxy statement for the election of directors shall include the recommendation of the Board of Directors in favor of election of the Stockholder Designee, and Parent shall solicit proxies for the Stockholder Designee to the same extent as it does for any of its other nominees to the Board of Directors and use all reasonable efforts to cause the Stockholder Designees to be elected as directors of the Board of Directors.

(f) Committee Memberships .

(i) During the Designation Period, at least one Stockholder Designee will be appointed by the Board of Directors to sit on each committee of the Board of Directors, subject to the Stockholder Designee satisfying applicable qualifications under applicable law, regulation or stock exchange rules and regulations. The Stockholder will have the right to designate which Stockholder Designees serve on which committee or committees, provided that such selection does not otherwise conflict with applicable law, regulation or stock exchange rules and regulations. If any of the Stockholder Designees fails to satisfy the applicable qualifications under law or stock exchange rule to sit on any committee of the Board of Directors, then the Board of Directors shall permit the Stockholder Designee to attend (but not vote) at the meetings of such committee as an observer, if permitted by applicable law and regulations.

(ii) Parent shall form, on or prior to the Closing Date, a strategic planning committee of the Board of Directors (the “Strategic Planning Committee”). At all times during the Designation Period (x) Parent shall maintain the Strategic Planning Committee as a committee of the Board of Directors consisting of three (3) directors; (y) the Stockholder shall have the right to have one of its Stockholder Designees serve as a member of the Strategic Planning Committee, which Stockholder Designee may, at the option of the Stockholder, serve as the chairman of such committee, and (z) all members of the Board of Directors shall, at their option, receive notice of, attend, participate in and receive materials for meetings of the Strategic Planning Committee. The form of the charter for the Strategic Planning Committee is attached hereto as Exhibit B.

(g) During the Designation Period, the Parent shall not adopt or maintain in effect a shareholder rights plan or similar plan which shall be triggered upon (i) the Stockholder or any of its Affiliates making a Share Acquisition in compliance with Section 4 of this Agreement; (ii) any Transfers of Equity Interests between the Stockholder and any Affiliates; or (iii) the acquisition by any one Person from the Stockholder of any number of shares of Common Stock that would result in such Person Beneficially Owning immediately after such acquisition no more than the aggregate of (x) the Closing Share Percentage; and (y) 5.0% of the outstanding shares of Common Stock less one share of Common Stock, provided that in no circumstances may such Person acquire more than the number of shares equal to the number of outstanding shares of Common Stock multiplied by the Closing Share Percentage. Any such shareholder rights plan or similar plan shall provide that the term “Affiliates,” when used with respect to the Stockholder, shall have the meaning set forth in this Agreement. In the event that Parent has a shareholder rights plan or similar plan in effect to protect the net operating losses of the Parent during the Designation Period, Parent shall cause such plan to be terminated upon the occurrence of an “ownership change” of Parent for purposes of Section 382 of the Code as a result of a transfer permitted by this Agreement.

7. Pre-emptive Rights Upon Qualified Equity Offering.

(a) Qualified Equity Offering

(i) Subject to Section 4.2 of this Agreement, if, during the Designation Period, Parent at any time or from time to time makes a Qualified Equity Offering, the Stockholder shall be afforded the opportunity to acquire from Parent, for the same price and on the same terms as the New Equity Interests are proposed to be offered to others, up to the amount of New Equity Interests required to enable it to maintain its Stockholder Percentage determined immediately prior to the completion of the Qualified Equity Offering; provided that, in the event of a Qualified Equity Offering by Parent of New Equity Interests that are non-voting at the time of issuance, including, without limitation, convertible debt securities (“New Non-Voting Securities”) the Stockholder shall be afforded the opportunity to acquire from Parent, for the same price and on the same terms as such New Equity Interests are proposed to be offered to others, a percentage of the New Non-Voting Securities being offered in an amount equal to its Economic Interest Percentage.

(ii) With respect to any Qualified Equity Offering of New Equity Interests being offered for consideration other than cash, the price to the Stockholder will be calculated as a cash amount equal to the effective price, as reasonably translated into cash by Parent in good faith, of the New Equity Interests paid by the other investors for such securities (the “Effective Price”). In determining the cash-equivalent price, Parent will consider all factors that it deems to be relevant, including, without limitation, to the extent applicable, the market values of each of the New Equity Interests and the non-cash assets or securities being exchanged for the New Equity Interests (the “Exchanged Assets”), it being understood that the determination in each case will involve Parent’s reasoned judgment about the trading ranges of each of the Exchanged Assets and the New Equity Interests as well as other comparable assets and/or securities of Parent or other issuers that Parent deems to be reasonably comparable in whole or in part, as well as other factors customarily used to determine market values. Parent shall include the applicable Effective Price in any Term Sheet (as defined below) provided to the Stockholder pursuant to Section 7(c) or 7(d) below with respect to such Qualified Equity Offering, and shall deliver together with the Term Sheet the underlying documentation (“Supporting Work Papers”) showing the calculations that support its determination of the Effective Price. The Stockholder shall notify Parent within five (5) Business Days after receipt of the Term Sheet and Supporting Work Papers if the Stockholder does not agree that the Effective Price was reasonably determined by Parent. If the Stockholder does not agree that the Effective Price was reasonably determined, then Parent and the Stockholder shall work in good faith to resolve any disputes relating to the Effective Price. If Parent and the Stockholder are unable to resolve any such dispute within five (5) Business Days of the Stockholder’s delivery of notice to Parent regarding its disagreement with the Effective Price, Parent and Stockholder shall jointly engage a internationally recognized investment bank reasonably acceptable to Parent and the Stockholder (the “Dispute Bank”). The Dispute Bank shall provide a report, within ten (10) Business Days of retention, on whether the Effective Price was reasonably determined as the cash-equivalent price for such New Equity Interests paid by the other investors. If the Dispute Bank determines that the Effective Price was a reasonable determination of the cash-equivalent price for such New Equity Interests paid by the other investors (i) the Stockholder shall have five (5) Business Days from the date of such determination by the Dispute Bank to inform Parent whether it intends to exercise its preemptive rights pursuant to this Section 7 with respect to the applicable Qualified Equity Offering at such Effective Price and (ii) the Stockholder shall bear all costs and expenses of the Dispute Bank. If the Dispute Bank determines that the Effective Price was not a reasonable determination of the cash-equivalent price for such New Equity Interests paid by the other investors (an “Adverse Determination”), Parent shall (i) work in good faith to revise the calculation of the Effective Price, which revised calculation shall take into account the objections raised in the report of the Dispute Bank (the “Revised Effective Price”), (ii) deliver to the Stockholder notice of the Revised Effective Price, together with the related Supporting Work Papers within ten (10) Business Days of the Adverse Determination and (iii) bear all costs and expenses of the Dispute Bank. Upon receipt of notice of the Revised Effective Price, the Stockholder shall have five (5) Business Days to (i) inform Parent whether it intends to exercise its preemptive rights pursuant to this Section 7 with respect to the applicable Qualified Equity Offering at such

Revised Effective Price or (ii) notify Parent if the Stockholder does not agree that the Revised Effective Price was reasonably determined by Parent. If the Stockholder does not agree that the Revised Effective Price was reasonably determined, then Parent and the Stockholder shall work in good faith to resolve any disputes relating to the Revised Effective Price. If Parent and the Stockholder are unable to resolve any such dispute within five (5) Business Days of the Stockholder's delivery of notice to Parent regarding its disagreement with the Revised Effective Price, Parent and the Stockholder shall again utilize the dispute process set forth in this Section 7(a)(ii) until any disputes regarding the calculation of the effective price, as revised, are resolved.

(b) For the avoidance of doubt, the maximum amount of New Equity Interests Stockholder may purchase calculated pursuant to Section 7(a)(i) shall include an amount equal to the Stockholder's Percentage of any additional New Equity Securities issued as a result of the exercise of any overallotment option.

(c) If Parent proposes to make a Qualified Equity Offering that is not an underwritten public offering or a private offering made to financial institutions for resale pursuant to Rule 144A (a "Private Placement"), Parent shall give the Stockholder written notice of its intention, including a Term Sheet. The Stockholder shall be required to respond in writing to Parent prior to the expiration of the Applicable Notice Period that it intends to exercise such pre-emptive purchase rights and as to the amount of New Equity Interests such Stockholder desires to purchase, up to the maximum amount calculated pursuant to Section 7(a) (the "Designated Equity Interests"). Such notice shall constitute the binding agreement of the Stockholder to purchase the amount of Designated Equity Interests so specified (or a proportionately lesser amount if the amount of New Equity Interests to be offered in such Private Placement is subsequently reduced, including in circumstances where overallotment option is not exercised in its entirety) upon the price and other terms set forth in Parent's Term Sheet; provided that if the initial notice contains a range of prices and other terms, the Stockholder shall only be bound to purchase the amount of Designated Equity Interests if the purchase price and other terms falls within the range specified in the Term Sheet. The failure of the Stockholder to respond during the Applicable Notice Period shall constitute a waiver of the pre-emptive rights in respect of such offering only.

(d) If Parent proposes to make a Qualified Equity Offering that is an underwritten public offering or a private offering made to financial institutions for resale pursuant to Rule 144A (a "Public Offering"), Parent shall give the Stockholder written notice of its intention, including a Term Sheet. The Stockholder shall be required to respond in writing to Parent prior to the expiration of the Applicable Notice Period that it intends to exercise such pre-emptive purchase rights and as to the amount of New Equity Interests the Stockholder desires to purchase, up to the maximum amount calculated pursuant to Section 7(a). Such notice shall constitute the binding agreement of the Stockholder to purchase the amount of Designated Equity Interests so specified (or a proportionately lesser amount if the amount of New Equity Interests to be offered in such Public Offering is subsequently reduced, including in circumstances where overallotment option is not exercised in its entirety) upon the price and other terms set forth in Parent's Term Sheet; provided that if the initial notice contains a range of prices and other terms, the Stockholder shall only be bound to purchase the amount of Designated Equity Interests if the purchase price and other terms falls within the range specified

in the Term Sheet. The failure of the Stockholder to respond during the Applicable Notice Period shall constitute a waiver of the pre-emptive rights in respect of such offering only.

(e) The term sheet ("Term Sheet") issued by Parent to the Stockholder will describe, to the extent applicable, the proposed offering size (including specification of the size of any over-allotment option included as part of the Qualified Equity Offering), price (or conversion premium in the case of a convertible security offering), maturity date and coupon (each of which may be provided within a range of +/- 15 %) and all terms that have an economic or structural impact, and in addition any other material terms upon which Parent proposes to offer the same. The Term Sheet will be delivered together with all then available information as presented to the Board of Directors and authorized by the Board of Directors for use in the marketing of the Qualified Equity Offering.

(f) The Stockholder shall maintain the confidentiality of the proposed Private Placement or Public Offering, as the case may be, until such time as such Private Placement or Public Offering is publicly announced or otherwise abandoned by Parent, regardless of whether the Stockholder intends to exercise its pre-emptive rights with respect to the Private Placement or Public Offering, provided, however, that in no event shall this obligation apply to the Stockholder for more than thirty (30) calendar days following the date of delivery to a Stockholder of such notice by Parent.

(g) If a Stockholder exercises its pre-emptive purchase rights provided in Section 7(c), the closing of the purchase of the New Equity Interests with respect to which such right has been exercised shall be conditioned on the consummation of the Private Placement giving rise to such pre-emptive purchase rights and shall take place simultaneously with the closing of the Private Placement or on such other date as Parent and such Stockholder shall agree in writing; provided that the actual amount of Designated Equity Interests to be sold to such Stockholder pursuant to its exercise of preemptive rights hereunder shall be proportionately reduced if the aggregate amount of New Equity Interests sold in the Private Placement is reduced and, at the option of the Stockholder, shall be increased if such aggregate amount of New Equity Interests sold in the Private Placement is increased; and the Stockholder shall be given three (3) Business Days written notice of such increase. In connection with its purchase of Designated Equity Interests, the Stockholder shall execute an instrument in form and substance reasonably satisfactory to Parent and Stockholder containing representations, warranties and agreements of the Stockholder that are customary for such private placement transactions.

(h) If the Stockholder exercises its pre-emptive purchase rights provided in Section 7(d), the closing of the purchase of the New Equity Interests with respect to which such right has been exercised shall be conditioned on the consummation of the Public Offering giving rise to such pre-emptive purchase rights and shall take place simultaneously with the closing of the Public Offering or on such other date as Parent and the Stockholder shall agree in writing; provided that the actual amount of Designated Equity Interests to be sold to such Stockholder pursuant to its exercise of preemptive rights hereunder shall be proportionately reduced if the aggregate amount of New Equity Interests sold in the Public Offering is reduced and, at the option of the Stockholder, shall be increased if such aggregate amount of New Equity Interests sold in the Public Offering is increased; and the Stockholder shall be given

three (3) Business Days written notice of such increase. In connection with its purchase of Designated Equity Interests, the Stockholder shall execute an instrument in form and substance reasonably satisfactory to Parent and Stockholder containing representations, warranties and agreements of the Stockholder that are customary for such public offering transactions.

(i) In the event the Stockholder fails to exercise its preemptive rights provided in this Section 7 within the applicable time period or, if so exercised, the Stockholder does not consummate such purchase within the applicable period, Parent shall thereafter be entitled during the period of 60 days following the conclusion of the applicable period to sell or enter into an agreement (pursuant to which the sale of New Equity Interests covered thereby shall be consummated, if at all, within 60 days from the date of such agreement) to sell the New Equity Interests not purchased pursuant to this Section 7 at the price and on the terms offered to the Stockholder. In the event Parent has not sold the New Equity Interests or entered into an agreement to sell the New Equity Interests within said 60-day period, Parent shall not thereafter offer, issue or sell such New Equity Interests without first offering such securities to the Stockholder in the manner provided in this Section 7.

(j) In the event that Parent determines to consummate a Qualified Equity Offering prior to the expiration of the Applicable Notice Period, and, as a result, the Stockholder is unable to participate in such Qualified Equity Offering Parent shall afford the Stockholder the opportunity to purchase from Parent, at or prior to the expiration of the Applicable Notice Period, an amount of Designated Equity Interests that it would have been entitled to purchase pursuant to an exercise of its pre-emptive rights, at the same price and on the same terms on which would have been available through the exercise of its pre-emptive rights, and Parent's compliance with this Section 7(j) shall relieve Parent of any liability for the failure to have provided the notices required pursuant to this Section 7.

(k) Prior to the beginning of each calendar quarter during the Designation Period, Parent may present to the Stockholder a description of the types and amounts of equity financings that it is considering pursuing during that calendar quarter (the "Quarterly Equity Financing Plan"), including, to the extent and if available, the relevant Term Sheets to any individual Anticipated Qualified Equity Offerings ("Anticipated QEO"). Upon the receipt of any Quarterly Equity Financing Plan, the Stockholder shall inform Parent in writing, within ten (10) Business Days of receipt of such plan, of its determination of whether the Quarterly Equity Financing Plan and, if available, the related Term Sheets for the individual Anticipated QEO contains sufficient detail to qualify as a pre-approved pre-emptive rights plan (a "Pre-Approved Plan"), for purposes of the definition of Applicable Notice Period.

(l) "Applicable Notice Period" shall mean, with respect to Section 7, five (5) Business Days; provided, however, that for any calendar quarter in which the Stockholder has informed Parent that it has determined that the applicable Quarterly Equity Financing Plan constitutes a Pre-Approved Plan, (i) the Applicable Notice Period for any Anticipated QEO which is consistent with its relevant Term Sheet of the Pre-Approved Plan shall be three (3) Business Days and (ii) the Applicable Notice Period for any Anticipated QEO which is not consistent with its relevant Term Sheet of the Pre-Approved Plan shall be seven (7) Business Days.



7.2. Parent and the Stockholder shall cooperate in good faith to facilitate the exercise of the Stockholder's pre-emptive rights hereunder, including securing any required approvals or consents, and the Stockholder shall use its good faith efforts to respond to any notice of a proposed offering as quickly as possible in order to facilitate the execution of such offering.

8. Information Provision.

8.1. Until the date on which the Stockholder no longer needs such information in order to comply with any applicable laws or regulations or its required reporting to its debt and equity holders, Parent shall provide the Stockholder with the following information (in each case consistent with materials otherwise provided to Parent's Board of Directors and/or such documents in their final form for use by senior management):

(a) periodic reports, consisting of unaudited quarterly (as soon as available and in any event within 45 days of the end of each quarter) and audited (by a nationally recognized accounting firm) annual (as soon as available and in any event within 75 days of the end of each year) financial statements prepared in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"), which statements shall include:

(i) the consolidated balance sheet, income statement and cash flow statement of Parent;

(ii) a comparison to the corresponding data for the prior period and the corresponding period of the previous fiscal year; and

(iii) as appropriate, a reconciliation to International Financial Reporting Standards ("IFRS") via a reporting package provided by the Stockholder identifying all differences between US GAAP and IFRS;

(b) other requisite information for the Stockholder to perform its acquisition accounting procedure, which procedure must be completed within 12 months after Closing ;

(c) such other information not included pursuant to clauses (a) and (b) above as the Stockholder may reasonably request as necessary to satisfy its own reporting requirements, provided that Parent shall not be required to incur significant incremental costs to obtain and provide such additional information; and

(d) to the extent that Parent is required by law or pursuant to the terms of any outstanding indebtedness of Parent to prepare any annual reports, quarterly reports and other periodic reports pursuant to Section 13 or 15(d) of the Exchange Act, such reports actually prepared by Parent as soon as available, provided, that any such reports shall be deemed to have been provided when such reports are publicly available via the SEC's EDGAR system or any successor to the EDGAR system.

8.2 During the Designation Period, Parent shall also provide the Stockholder with the following information, in each case consistent with information provided to its Board of

Directors (or, if not provided to its Board of Directors, consistent with such documents in their final form for use by senior management):

- (a) monthly flash reports showing performance for the month with comparison to budget;
- (b) with respect to quarterly and annual information delivered pursuant to Section 8.1, a comparison of results to budget for the period reflected and year to date;
- (c) other financial information delivered to the Board of Directors, including that provided to sub-committees of the Board of Directors; and
- (d) a copy of Parent's annual budget and any multi-year strategic plan, in the form approved by the Board of Directors within one (1) week following approval by the Board of Directors and any Board of Directors approved revisions thereof.

8.3 The Stockholder and/or its external auditor will be provided reasonable access to Parent's internal accounting, finance, tax and other personnel and its external auditors for the purposes set out in this Section 8, including in connection with the Stockholder's completion of its acquisition accounting process.

8.4 For the avoidance of doubt, in the event that the Designation Period has lapsed, the provisions of this Section 8 will continue and survive, other than Section 8.2, which shall terminate upon the conclusion of the Designation Period.

8.5 The Stockholder agrees to keep confidential any non-public information provided by Parent pursuant to this Section 8 and to use such non-public information solely for purposes of monitoring its investment in Parent.

8.6 Notwithstanding anything herein to the contrary, Parent shall not be obligated to provide the stockholder with the information required to be provided pursuant to Section 8.2 to the extent that, in Parent's reasonable judgment and based on the advice of counsel, providing such access would jeopardize the protection of attorney — client privilege.

8.7 For so as long as Parent is required by law to file with the SEC periodic reports pursuant to Section 13 or 15(d) of the Exchange Act, the requirements to provide quarterly and annual financial statements described in Section 8.1.(a) above will be deemed to be satisfied by Parent making such reports publicly available via the SEC's EDGAR system or any successor to the EDGAR system.

9. Effective Date. Other than the provisions of Section 10, this Agreement shall become effective only as of the Closing Date. In the event that the Plan of Amalgamation terminates, this Agreement shall terminate.

10. Miscellaneous Provisions.

10.1. Termination of Company Agreements. The parties hereto agree to use commercially reasonable efforts to (i) identify all outstanding agreements between the

Stockholder and the Company that are in effect on the Closing Date and which the parties reasonably determine are necessary to be terminated; and to (ii) terminate such agreements, effective on the Closing Date .

10.2. Benefits of Agreement . Except as otherwise provided herein, nothing in this Agreement, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the parties hereto, any legal or equitable right, remedy or claim under any covenant, condition or provision contained in this Agreement being for the sole benefit of the parties hereto.

10.3. Public Statements or Releases . Neither Parent nor the Stockholder shall make any public announcement with respect to the existence or terms of this Agreement or the transactions provided for herein without the prior approval of the other party, which shall not be unreasonably withheld or delayed. Notwithstanding the foregoing, nothing in this Section 10.3 shall prevent either party from making any public announcement it considers necessary in order to satisfy its obligations under the law or the rules of any national securities exchange or market, provided such party, to the extent practicable, provides the other party with an opportunity to review and comment on any proposed public announcement before it is made.

10.4. Pronouns . All pronouns or any variation thereof shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person, persons, entity or entities may require.

10.5. Notices .

(a) Any notices, reports or other correspondence (hereinafter collectively referred to as “correspondence”) required or permitted to be given hereunder shall be sent by telecopy/facsimile, postage prepaid first class mail, courier or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. Except as specifically set forth below, the date of giving any notice shall be the date of its actual receipt.

(b) All correspondence to Parent shall be addressed as follows:

Level 3 Communications, Inc.  
1025 Eldorado Blvd.  
Broomfield, CO 80303  
Telecopy/Facsimile: 720-888-5127  
Attention: John M. Ryan, Executive Vice President, Chief Legal Officer and Secretary

with a copy to (which shall not constitute notice):

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Telecopy/Facsimile: (212) 728-8111  
Attention: David K. Boston

- (c) All correspondence to the Stockholder shall be addressed as follows:

c/o Singapore Technologies Telemedia Pte Ltd  
51 Cuppage Road, #09-01 StarHub Centre  
Singapore 229469  
Telecopy/Facsimile: + 65 6720-7220  
Attention: General Counsel

with a copy to (which shall not constitute notice):

Latham & Watkins LLP  
505 Montgomery Street, Suite 2000  
San Francisco, CA 94111  
Telecopy/Facsimile:  
Attention: John M. Newell

- (d) Solely with respect to notices required by Section 7 of this Agreement, notice may be given by email. Any email notices to the Stockholder shall be sent to the following email addresses: sioklan\_pek@sttelemedia.com , with a copy (which shall not constitute notice) to john.newell@lw.com. Any email notices to Parent shall be sent to the following email addresses: John.Ryan@Level3.com and neil.eckstein@level3.com, with copies (which shall not constitute notice) to dboston@willkie.com and ldelanoy@willkie.com.

- (e) Any Person may change the address to which correspondence to it is to be addressed by notification as provided for herein.

- (f) With respect to any notice given under Section 7 by email, telecopy/facsimile or any other form of immediate electronic communication permitted under this agreement ("Eligible Electronic Means"), the date of giving notice shall be (i) the Business Day during which such communication is received if it is received on a Business Day between the hours of 8:00 a.m. and 5:00 p.m. in the local time zone of the address of the recipient as set forth above in this Section 10.5, and (ii) the next succeeding Business Day if received at any other time. The time of receipt (the "Receipt Time") shall be the time at which such communication is received in the local time zone of the address of the recipient as set forth above in this Section 10.5 if received between the hours of 8:00 a.m. and 5:00 p.m. on a Business Day and shall otherwise be 8:00 a.m. on the next succeeding Business Day. Any response required to be given within a given notice period shall be timely if it is sent by Eligible Electronic Means no later than the Receipt Time on the Business Day on which such response is due.

10.6. Captions. The captions and paragraph headings of this Agreement are solely for the convenience of reference and shall not affect its interpretation.

10.7. Severability. Should any part or provision of this Agreement be held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the

invalid or unenforceable part or provisions shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the parties hereto.

10.8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to conflict of law principles thereof.

10.9. Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated by this Agreement shall be brought against any of the parties in any Federal court located in the State of New York, or any New York state court, and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and waives any objection to venue laid therein. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or outside the State of New York. Without limiting the generality of the foregoing, each party hereto agrees that service of process upon such party at the address referred to in Section 10.5 together with written notice of such service to such party, shall be deemed effective service of process upon such party.

10.10. Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

10.11. Assignment. The rights and obligations of the parties hereto shall inure to the benefit of and shall be binding upon the authorized successors and permitted assigns of each party. Except as otherwise expressly provided herein, (A) none of the parties may assign its rights or obligations under this Agreement or designate another person (i) to perform all or part of its obligations under this Agreement or (ii) to have all or part of its rights and benefits under this Agreement, in each case without the prior written consent of the other party; and (B) in the event of any assignment of any or all of the rights under this Agreement in accordance with the terms of this Agreement, the assignee shall specifically assume and be bound by the provisions of this Agreement by executing and agreeing to an assumption agreement reasonably acceptable to Parent. Notwithstanding the foregoing, the Stockholder may assign any or all of the rights under this Agreement, without the prior written consent of Parent, to any Affiliate, provided such transferee shall agree to specifically assume and be bound by the provisions of this Agreement.

10.12. Effect of Termination. If the Stockholder elects to terminate this Agreement pursuant to the procedures in the definition of Designation Period, this Agreement shall become null and void and obligations of the parties pursuant to this Agreement will terminate (other than Sections 5, 8 and 10, which shall survive termination).

10.13. Counterparts. This Agreement may be signed in one or more counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

10.14. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto respecting the subject matter hereof and supersedes all prior agreements, negotiations, understandings, representations and statements respecting the subject matter hereof, whether written or oral, including, without limitation. No modification, alteration, waiver or change in any of the terms of this Agreement shall be valid or binding upon the parties hereto unless made in writing and duly executed by Parent and the Stockholder.

*[Signature page follows]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ James Q. Crowe  
Name: James Q. Crowe  
Title: Chief Executive Officer and Director

STT CROSSING LTD.

By: /s/ Lee Theng Kiat  
Name: Lee Theng Kiat  
Title: Director

[Signature Page to the Stockholder Rights Agreement]

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## VOTING AGREEMENT

This VOTING AGREEMENT (this “Agreement”), dated as of April 10, 2011, is entered into by and between Level 3 Communications, Inc., a Delaware corporation (“Parent”), and the entity listed on Schedule A hereto (the “Stockholder”).

WHEREAS, the Stockholder owns (both beneficially and of record) in the aggregate 29,351,431 shares of the common stock of Global Crossing Limited, a Bermuda exempted company (the “Company”), par value U.S.\$0.01 per share (“Company Common Stock”), and 18,000,000 shares of the Company’s 2.0% Cumulative Senior Convertible Preferred Shares, par value U.S.\$0.10 per share (the “Convertible Preferred Stock”) (such shares of Company Common Stock and Convertible Preferred Stock together with any shares of Company Common Stock or Convertible Preferred Stock acquired by the Stockholder after the date hereof being collectively referred to herein as the “Shares”);

WHEREAS, the Company, Parent, and Apollo Amalgamation Sub, Ltd., a Bermuda exempted company and a direct wholly owned subsidiary of Parent (“Amalgamation Sub”), have entered into an Agreement and Plan of Amalgamation, dated as of the date hereof (the “Plan of Amalgamation”), and the Company, Parent and Amalgamation Sub will enter into an Amalgamation Agreement in substantially the form attached as an exhibit to the Plan of Amalgamation (the “Amalgamation Agreement”); and

WHEREAS, the Stockholder has agreed to enter into this Agreement in order to induce Parent to enter into the Plan of Amalgamation and to induce Parent to consummate, and to cause Amalgamation Sub to consummate, the transactions contemplated by the Plan of Amalgamation and the Amalgamation Agreement.

NOW, THEREFORE, in consideration of Parent’s entering into the Plan of Amalgamation and of the mutual covenants and agreements contained herein and other good and valuable consideration, the adequacy of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Plan of Amalgamation.

SECTION 2. Representations and Warranties of Stockholder. The Stockholder hereby represents and warrants to Parent as follows:

2.1 Title to the Shares. The Stockholder is the record and beneficial owner of, and has good and marketable title to, the number of shares of Company Common Stock and Convertible Preferred Stock set forth opposite the name of the Stockholder on Schedule A hereto, which as of the date hereof constitutes all of the shares of Company Common Stock, or any other securities convertible into or exercisable for any shares of Company Common Stock, including Convertible Preferred Stock (all collectively being “Company Securities”) owned beneficially and of record by the Stockholder. The Stockholder does not have any rights of any nature to acquire any additional Company Securities. The Stockholder owns all of such shares of Company Common Stock and Convertible Preferred Stock free and clear of all security interests,

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liens, claims, pledges, options, rights of first refusal, agreements, limitations on voting rights, restrictions, charges, proxies and other encumbrances of any nature, and has not appointed or granted any proxy, which appointment or grant is still effective, with respect to any of such shares of Company Common Stock or Convertible Preferred Stock owned by it; provided, however, that STT Communications Ltd (“STTC”), the sole direct shareholder of the Stockholder, has granted certain stock options (the “STTC GC Options”) pursuant to the STTC Share Option Plan 2004 (the “STTC GC Stock Option Plan”), to purchase shares of Company Common Stock, of which 617,500 STTC GC Stock Options are outstanding on the date of this Agreement.

2.2 Organization. The Stockholder is duly organized, validly existing, and in good standing or similar concept under the laws of the jurisdiction of its organization.

2.3 Authority Relative to this Agreement. The Stockholder has the power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by the Stockholder and the consummation by the Stockholder of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of the Stockholder. This Agreement has been duly and validly executed and delivered by the Stockholder and, assuming the due authorization, execution and delivery by Parent, constitutes a legal, valid and binding obligation of the Stockholder, enforceable against the Stockholder in accordance with its terms, (i) except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors’ rights generally, and (ii) subject to general principles of equity (whether considered in a proceeding in equity or at law).

2.4 No Conflict. Except for any filings as may be required by applicable federal securities laws, the execution and delivery of this Agreement by the Stockholder does not, and the performance of this Agreement by the Stockholder will not, (a) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity or any other Person by the Stockholder; (b) conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under any provision of, the organizational documents of the Stockholder or any other agreement to which the Stockholder is a party, including any voting agreement, stockholders agreement, voting trust, trust agreement, pledge agreement, loan or credit agreement, note, bond, mortgage, indenture lease or other agreement, instrument, permit, concession, franchise or license; or (c) conflict with or violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the Stockholder or to the Stockholder’s property or assets.

### SECTION 3. Covenants of the Stockholder.

3.1 Restriction on Transfer. The Stockholder hereby covenants and agrees that prior to the termination of this Agreement, Stockholder shall not sell, transfer, tender, assign, hypothecate or otherwise dispose of, grant any proxy to, deposit any Shares into a voting trust, enter into a voting trust agreement or create or permit to exist any additional security interest, lien, claim, pledge, option, right of first refusal, limitation on voting rights, charge or other encumbrance of any nature with respect to the Shares; provided, however, that Stockholder shall be permitted to (i) transfer shares of Company Common Stock upon exercise of the STTC GC

Stock Options, and (ii) convert the shares of Convertible Preferred Stock into shares of Company Common Stock.

3.2 Additional Shares . Prior to the termination of this Agreement, the Stockholder will promptly notify Parent of the number of any new shares of Company Common Stock, Convertible Preferred Stock or any other Company Securities acquired directly or beneficially by the Stockholder, if any, after the date of this Agreement. Any such shares shall become “Shares” within the meaning of this Agreement.

3.3 Nonsolicitation .

(a) Subject to Section 3.3(b), none of the Stockholder or any of its Subsidiaries shall (whether directly or indirectly through Affiliates, directors, officers, employees, representatives, advisors or other intermediaries), nor shall (directly or indirectly) the Stockholder authorize or permit any of its officers, directors, representatives, advisors or other intermediaries or Subsidiaries to: (i) solicit, initiate or knowingly encourage the submission of inquiries, proposals or offers from any Person (other than Parent) relating to any Company Acquisition Proposal, or agree to or endorse any Company Acquisition Proposal; (ii) enter into any agreement to (y) consummate any Company Acquisition Proposal, or (z) approve or endorse any Company Acquisition Proposal; (iii) enter into or participate in any discussions or negotiations in connection with any Company Acquisition Proposal or inquiry with respect to any Company Acquisition Proposal, or furnish to any Person any non-public information with respect to its business, properties or assets in connection with any Company Acquisition Proposal; or (iv) agree to resolve or take any of the actions prohibited by clause (i), (ii) or (iii) of this sentence. The Stockholder shall immediately cease, and cause its representatives, advisors and other intermediaries to immediately cease, any and all existing activities, discussions or negotiations with any parties conducted heretofore with respect to any of the foregoing. The Stockholder shall promptly inform their representatives and advisors of the Stockholder’s obligations under this Section 3.3. Any violation of this Section 3.3 by any representative of the Stockholder or its Subsidiaries shall be deemed to be a breach of this Section 3.3 by the Stockholder. For purposes of this Section 3.3, the term “Person” means any person, corporation, entity or “group,” as defined in Section 13(d) of the Exchange Act, other than, with respect to the Stockholder, Parent or any Subsidiaries of Parent. “Company Acquisition Proposal” means any offer or proposal for a merger, amalgamation, reorganization, recapitalization, consolidation, scheme of arrangement, share exchange, business combination or other similar transaction involving the Company or any of the Subsidiaries or any proposal or offer to acquire, directly or indirectly, securities representing more than 20% of the voting power of the Company or more than 20% of the assets of the Company and the Subsidiaries taken as a whole, other than the Amalgamation contemplated by the Plan of Amalgamation and the Amalgamation Agreement.

(b) Notwithstanding the foregoing, the Stockholder, directly or indirectly through its Affiliates, directors, officers, employees, representatives, advisors or other intermediaries, may, prior to the Company Stockholders Meeting, engage in negotiations or discussions with any Person (and its representatives, advisors and intermediaries) that has made an unsolicited bona fide written Company Acquisition Proposal not resulting from or arising out of a breach of Section 3.3(a) of this Agreement or Section 7.4(a) of the Plan of Amalgamation;

provided that the Stockholder shall be permitted to take an action described in this Section 3.3(b) if, and only if, prior to taking such particular action, the Board of Directors of the Company has determined in good faith by a majority vote that such Company Acquisition Proposal constitutes or would reasonably be expected to result in, a Company Superior Proposal. “Company Superior Proposal” means any proposal (on its most recently amended or modified terms, if amended or modified) made by a third party that is not affiliated with the Company to enter into any transaction involving a Company Acquisition Proposal that the Board of Directors of the Company determines in its good faith judgment (after consultation with the Company’s outside legal counsel and financial advisor), would be, if consummated, more favorable to the Company’s stockholders than the Plan of Amalgamation, the Amalgamation Agreement and the Amalgamation, taking into account all terms and conditions of such transaction (including any break-up fees, expense reimbursement provision and financial terms, the anticipated timing, conditions and prospects for completion of such transaction, including the prospects for obtaining regulatory approvals and financing, and any third party approvals), except that the reference to “20%” in the definition of “Company Acquisition Proposal” shall be deemed to be a reference to “50%”. Reference to “the Plan of Amalgamation”, the “Amalgamation Agreement” and “the Amalgamation” in this paragraph shall be deemed to include any proposed alteration of the terms of the Plan of Amalgamation, the Amalgamation Agreement or the Amalgamation that are agreed to by Parent pursuant to Section 7.4(d) of the Plan of Amalgamation.

(c) The Stockholder shall notify Parent promptly (but in any event within 36 hours) after receipt or occurrence of (i) any Company Acquisition Proposal, (ii) any proposed discussions, negotiations or inquiries that would reasonably be expected to lead to a Company Acquisition Proposal, and (iii) the material terms and conditions of any such Company Acquisition Proposal and the identity of the Person making any such Company Acquisition Proposal or with whom such discussions or negotiations are taking place, in each case, if such request for information, inquiry or proposal would reasonably be expected to lead to a Company Acquisition Proposal.

3.4 Restrictions on Hedging. Prior to the termination of this Agreement, without Parent’s prior written consent, the Stockholder shall not directly or indirectly enter into any forward sale, hedging or similar transaction involving any Company Securities, or involving any shares of Parent Common Stock that the Stockholder will receive at the Effective Time upon the Closing of the Amalgamation pursuant to the Plan of Amalgamation, including any transaction by which any of the Stockholder’s economic risks and/or rewards or ownership of, or voting rights with respect to, any such Company Securities or Parent Common Stock are transferred or affected; provided, however, the Stockholder shall be permitted to grant stock options pursuant to a share option plan to purchase shares of Parent Common Stock and shall be permitted to enter into any amendments to the terms of the STTC GC Share Option Plan.

### 3.5 Efforts.

(a) The Stockholder shall cooperate with Parent in good faith with respect to submitting such forms, filings and notices as may be reasonably required under the HSR Act, the Communications Act, and Section 721 of the Defense Production Act (collectively, the “Specified Laws”) in order to consummate the Amalgamation and the other transactions contemplated by this Agreement, the Plan of Amalgamation, and the Amalgamation Agreement.

(b) Parent shall, in connection with, or in relation to, satisfaction of the conditions set forth in Sections 8.1(d), (e) and (g) of the Plan of Amalgamation, (i) cooperate in all respects and consult with the Stockholder, its representatives and/or advisors in connection with any filing or submission under any of the Specified Laws, and in connection with any investigation or other inquiry related thereto, including by allowing the Stockholder, its representatives and/or advisors to have a reasonable opportunity to review in advance and comment on drafts of filings and submissions; (ii) promptly inform the Stockholder, its representatives and/or advisors of any substantive communication received by or on behalf of Parent from, or given by or on behalf of Parent to, any Governmental Entities under any of the Specified Laws, by promptly providing copies to the Stockholder, its representatives and/or advisors of any such written substantive communications, regarding any of the transactions contemplated by this Agreement, the Plan of Amalgamation, and the Amalgamation Agreement; and (iii) permit the Stockholder, its representatives and/or advisors to review any substantive communication that it gives to, and consult with the Stockholder, its representatives and/or advisors in advance of any substantive meeting, telephone call or conference with, any Governmental Entities under any of the Specified Laws, and to the extent permitted by such Governmental Entities, give the Stockholder, its representatives and/or advisors the opportunity to attend and participate in such substantive meetings, telephone calls and conferences.

(c) In the event that any Governmental Entities specifically require that the Stockholder be a party to a network security agreement in order for the condition in Section 8.1(g) of the Plan of Amalgamation to be satisfied, the Stockholder shall use its commercially reasonable efforts to negotiate and agree to enter into such network security agreement, *provided, that* such agreement shall impose no obligations, duties, limitations or restrictions on the Stockholder, its director designees on the board of directors of the Parent (the “Parent Board”), or on the Stockholder’s rights under the Stockholder Rights Agreement, other than the following: (i) a requirement that one or more of the individuals to be designated by the Stockholder to the Parent Board pursuant to the Stockholder Rights Agreement, shall be required to meet specified qualification criteria in order to serve as members of the Parent Board; and (ii) a waiver of sovereign immunity by the Stockholder in connection with such agreement; *provided further, however*, that, notwithstanding anything to contrary in this Agreement (including Section 3.5(d)) in no event shall the Stockholder be required to enter in to any network security agreement that contains the limitations specified in clause (i), unless the number of directors that the Stockholder is entitled to designate to serve on the Parent Board who are not required to meet any qualification criteria and who therefore may be designated to the Parent Board in the sole discretion of the Stockholder shall be not less than the greater of (i) two, and (ii) half of the total number of directors that the Stockholder is entitled to designate pursuant to the Stockholder Rights Agreement, rounded up to the nearest whole number.

(d) In connection with obtaining the approval of any Governmental Entity the receipt of which is a condition to consummate the transactions contemplated by the Plan of Amalgamation, neither Parent nor any of its Subsidiaries shall, without the prior written consent of the Stockholder, enter into any contract or agreement or any amendment or modification to a contract or agreement with any Governmental Entity that would adversely affect the rights and powers of the Stockholder or any of its Affiliates, including with respect to the Stockholder’s designees to the Parent Board, in each case, under the Stockholder Rights Agreement; provided, however, that, the foregoing shall in no way limit the ability of Parent to agree with a

Governmental Entity to have a security committee of the Parent Board with a scope of duties and powers that is substantially consistent with the scope of duties and powers of the security committee of the Company as of the date of this Agreement.

(e) Notwithstanding anything to the contrary contained in this Agreement, except as specifically set forth in Section 3.5 (c), Parent expressly acknowledges and agrees that none of the Stockholder or any of its Affiliates, nor any of the Stockholder's designees to the Parent's Board, shall be required to agree to any terms, conditions or modifications with respect to obtaining the expiration or termination of any waiting period or any consents, permits, waivers, approvals, authorizations or orders in connection with the Amalgamation or the consummation of the transactions contemplated by the Plan of Amalgamation, the Amalgamation Agreement or this Agreement.

(f) "Stockholder Rights Agreement" shall mean that certain Stockholder Rights Agreement, dated the date of this Agreement, between Parent and the Stockholder.

3.6 Amendments to the Plan of Amalgamation. Parent agrees that, without the prior written consent of the Stockholder, no amendment shall be made to the Plan of Amalgamation or the Amalgamation Agreement following receipt of the Required Company Vote which would (i) reduce the Exchange Ratio, (ii) alter or change the kind of securities that constitute the Amalgamation Consideration, or (iii) adversely affect the holders of the Company Common Shares or the shares of Convertible Preferred Stock, without obtaining the requisite approval by the shareholders of the Company.

#### SECTION 4. Voting Agreement.

4.1 Voting Agreement. The Stockholder hereby agrees that, at any meeting of the shareholders of the Company, however called, in any action by written consent of the shareholders of the Company, or in any other circumstances upon which the Stockholder's vote, consent or other approval is sought, the Stockholder shall vote the Shares owned beneficially or of record by the Stockholder as follows:

- (a) in favor of adoption of the Plan of Amalgamation and the Amalgamation Agreement, and approval of the terms thereof and of the Amalgamation, and the other transactions contemplated thereby;
- (b) against any action or agreement that has or would be reasonably likely to result in any conditions to the Company's obligations under Article VIII of the Plan of Amalgamation not being fulfilled;
- (c) against any Company Acquisition Proposal;
- (d) against any amendments to the Company Organizational Documents if such amendment would reasonably be expected to prevent or delay the consummation of the Closing; and
- (e) against any other action or agreement that is intended, or could reasonably be expected, to impede, interfere with, delay, or postpone the Amalgamation or the transactions

contemplated by the Plan of Amalgamation and the Amalgamation Agreement or change in any manner the voting rights of any class of stock of the Company.

Notwithstanding the foregoing:

(I) in the event that if at any time prior to the receipt of the Required Company Vote, the Company's Board of Directors shall have failed to recommend or shall have withdrawn or modified or changed in a manner adverse to Parent its approval or recommendation of the Plan of Amalgamation, the Amalgamation Agreement or the Amalgamation, other than in response to a Company Acquisition Proposal, the Stockholder shall vote (i) that number of Shares of Company Common Stock and that number of Shares of Company Preferred Stock owned beneficially or of record by the Stockholder in favor of adoption of the Plan of Amalgamation and the Amalgamation Agreement, and approval of the terms thereof and of the Amalgamation, and the other transactions contemplated thereby, at least equal to the number of Shares of Company Common Stock and Company Preferred Stock, as the case may be, owned beneficially or of record by the Stockholder, multiplied in each case by the percentage of the outstanding shares of Company Common Stock owned by holders of the Company Common Stock (other than the Stockholder) that voted in favor of adoption of the Plan of Amalgamation and the Amalgamation Agreement, and approval of the terms thereof and of the Amalgamation, and the other transactions contemplated thereby, and (ii) all other Shares owned beneficially or of record by the Stockholder, in its sole discretion; and

(II) in the event that there is any amendment to the Plan of Amalgamation which (i) reduces the Exchange Ratio, (ii) alters or changes the kind of securities that constitute the Amalgamation Consideration, or (iii) adversely affects the holders of the Company Common Shares or the shares of Convertible Preferred Stock, the Stockholder shall have no obligation to vote any of its Shares in accordance with this Section 4.1 with respect to the Plan of Amalgamation as so amended.

4.2 Other Voting. The Stockholder may vote on all issues that may come before a meeting of the stockholders of the Company in its sole discretion, provided that such vote does not contravene the provisions of this Section 4.

4.3 No Limitation. Nothing in this Agreement shall be deemed to govern, restrict or relate to any actions, omissions to act, or votes taken or not taken by any designee, representative, officer or employee of the Stockholder or any of its Affiliates serving on the Company's Board of Directors in such person's capacity as a director of the Company, and no such action taken by such person in his capacity as a director of the Company shall be deemed to violate any of the Stockholder's duties under this Agreement.

SECTION 5. Representations and Warranties of Parent. Parent hereby represents and warrants to the Stockholder as follows:

5.1 Organization. Parent is duly organized, validly existing, and in good standing under the laws of the State of Delaware.

5.2 Authority Relative to this Agreement . Parent has the corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement by Parent and the consummation by Parent of the transactions contemplated hereby have been duly and validly authorized by all necessary action on the part of Parent. This Agreement has been duly and validly executed and delivered by Parent and, assuming the due authorization, execution and delivery by the Stockholder, constitutes a legal, valid and binding obligation of Parent, enforceable against Parent in accordance with its terms, (i) except as may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to enforcement of creditors' rights generally, and (ii) subject to general principles of equity.

5.3 No Conflict . The execution and delivery of this Agreement by Parent does not, and the performance of this Agreement by Parent will not, (a) require any consent, approval, authorization or permit of, or filing with or notification to, any Governmental Entity or any other Person by Parent, except for filings with the SEC of such reports under the Exchange Act as may be required in connection with this Agreement and the transactions contemplated by this Agreement; (b) conflict with, or result in any violation of, or default (with or without notice or lapse of time or both) under any provision of, the certificate of incorporation or by-laws of Parent or any other agreement to which such Parent is a party; or (c) conflict with or violate any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to Parent or to Parent's property or assets.

SECTION 6. Further Assurances . The Stockholder shall, without further consideration, from time to time, execute and deliver, or cause to be executed and delivered, such additional or further consents, documents and other instruments as Parent may reasonably request in order to vest, perfect, confirm or record the rights granted to Parent under this Agreement.

SECTION 7. Stop Transfer Order . In furtherance of this Agreement, concurrently herewith the Stockholder shall and hereby does authorize Parent to notify the Company's transfer agent that there is a stop transfer order with respect to all Shares (and that this Agreement places limits on the voting and transfer of the Shares). The Stockholder further agrees to cause the Company not to register the transfer of any certificate representing any of the Shares unless such transfer is made in accordance with the terms of this Agreement.

SECTION 8. Certain Events . The Stockholder agrees that this Agreement and the obligations hereunder shall attach to the Shares and shall be binding on any Person to which legal or beneficial ownership of such Shares shall pass, whether by operation of law or otherwise, other than shares of Company Common Stock transferred upon exercise of the STTC GC Stock Options. In the event of any stock split, stock dividend, merger, amalgamation, reorganization, recapitalization or other change in the capital structure of the Company affecting the Company Common Stock, Convertible Preferred Stock or other voting securities of the Company, the number of Shares shall be deemed adjusted appropriately and this Agreement and the obligations hereunder shall attach to any additional shares of Company Common Stock, Convertible Preferred Stock or other Company Securities issued to or acquired by the Stockholder.

SECTION 9. Termination. Notwithstanding anything to the contrary contained herein, the term of this Agreement and the obligations of the parties hereto shall commence on the date hereof and shall terminate upon the earliest of (i) the mutual agreement of Parent and the Stockholder, (ii) the Effective Time, or (iii) the termination of the Plan of Amalgamation in accordance with its terms.

SECTION 10. Miscellaneous.

10.1 Expenses. All costs and expenses incurred in connection with the transactions contemplated by this Agreement shall be paid by the party incurring such costs and expenses.

10.2 Specific Performance. The parties hereto agree that, in the event any provision of this Agreement is not performed in accordance with the terms hereof, (a) the non-breaching party will sustain irreparable damages for which there is not an adequate remedy at law for money damages and (b) the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy at law or in equity.

10.3 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, among such parties with respect to the subject matter hereof.

10.4 Assignment. Without the prior written consent of the other party to this Agreement, no party may assign any rights or delegate any obligations under this Agreement. Any such purported assignment or delegation made without prior consent of the other party hereto shall be null and void.

10.5 Parties in Interest. This Agreement shall be binding upon, inure solely to the benefit of, and be enforceable by, the parties hereto and their successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to or shall confer upon any other person not a party hereto any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

10.6 Amendment. This Agreement may not be amended except by an instrument in writing signed by the parties hereto.

10.7 Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law, or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of this Agreement is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.



10.8      Notices.

(a) Any notices, reports or other correspondence (hereinafter collectively referred to as “correspondence”) required or permitted to be given hereunder shall be sent by telecopy/facsimile, postage prepaid first class mail, courier or delivered by hand to the party to whom such correspondence is required or permitted to be given hereunder. Except as specifically set forth below, the date of giving any notice shall be the date of its actual receipt.

(b) All correspondence to Parent shall be addressed as follows:

Level 3 Communications, Inc.  
1025 Eldorado Blvd.  
Broomfield, CO 80303  
Telecopy/Facsimile: 720-888-5127  
Attention: John M. Ryan, Executive Vice President, Chief Legal Officer and Secretary

with a copy to (which shall not constitute notice):

Willkie Farr & Gallagher LLP  
787 Seventh Avenue  
New York, NY 10019  
Telecopy/Facsimile: (212) 728-8111  
Attention: David K. Boston  
Laura L. Delanoy

(c) All correspondence to the Stockholder shall be addressed as follows:

c/o Singapore Technologies Telemedia Pte Ltd  
51 Cuppage Road, #09-01 StarHub Centre  
Singapore 229469  
Telecopy/Facsimile: + 65 6720-7220  
Attention: General Counsel

with a copy to (which shall not constitute notice):

Latham & Watkins LLP  
505 Montgomery Street, Suite 2000  
San Francisco, CA 94111  
Telecopy/Facsimile: (415) 395-8095  
Attention: John M. Newell

(d) Any Person may change the address to which correspondence to it is to be addressed by notification as provided for herein.

10.9      Governing Law. This Agreement and any controversies arising with respect hereto shall be construed in accordance with and governed by the laws of the State of New York.

10.10 Exclusive Jurisdiction. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated by this Agreement shall be brought against any of the parties in any Federal court located in the State of New York, or any New York state court, and each of the parties hereto hereby consents to the exclusive jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and waives any objection to venue laid therein. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or outside the State of New York. Without limiting the generality of the foregoing, each party hereto agrees that service of process upon such party at the address referred to in Section 10.8 together with written notice of such service to such party, shall be deemed effective service of process upon such party.

10.11 Headings. The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

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

[Rest of page intentionally blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be duly executed and delivered as of the date first written above.

LEVEL 3 COMMUNICATIONS, INC.

By: /s/ James Q. Crowe  
Name: James Q. Crowe  
Title: Chief Executive Officer and Director

STT CROSSING LTD.

By: /s/ Lee Theng Kiat  
Name: Lee Theng Kiat  
Title: Director

[Signature Page to the Voting Agreement]

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SCHEDULE A

Name of Stockholder	Number and Class of Shares Owned	Total Number of Votes
STT Crossing Ltd.	29,351,431 shares of Company Common Stock	29,351,431
	18,000,000 shares of Convertible Preferred Stock	18,000,000

BANK OF AMERICA, N.A.  
MERRILL LYNCH, PIERCE, FENNER &  
SMITH INCORPORATED  
One Bryant Park  
New York, New York 10036

CITIGROUP GLOBAL MARKETS INC.  
390 Greenwich Street  
New York, New York 10013

CONFIDENTIAL

April 10, 2011

Level 3 Communications, Inc.  
Level 3 Financing, Inc.  
1025 Eldorado Boulevard  
Broomfield, Colorado 80021

Project Apollo  
\$650,000,000 Senior Secured Tranche B II Term Loan Facility  
\$1,100,000,000 Senior Unsecured Bridge Facility  
Commitment Letter

Ladies and Gentlemen:

You have advised Bank of America, N.A. (“Bank of America”), Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPFS”), Citi (as defined below and, together with Bank of America, the “Initial Lenders”), Citigroup Global Markets Inc. (“CGMI” and, together with MLPFS, the “Lead Arrangers”; the Initial Lenders and the Lead Arrangers are collectively referred to as the “Commitment Parties”, “we” or “us”) that Level 3 Communications, Inc., a Delaware corporation (“Parent”), intends to enter into an agreement and plan of amalgamation (the “Acquisition Agreement”) among (i) Global Crossing Limited, an exempt company with limited liability organized under the laws of Bermuda (“Apollo”), (ii) Apollo Amalgamation Sub, Ltd., an exempt company with limited liability organized under the laws of Bermuda, and a newly formed direct subsidiary of Parent (“AcquireCo”), and (iii) Parent. Pursuant to the Acquisition Agreement, AcquireCo and Apollo will amalgamate and continue as an exempt company with limited liability under the laws of Bermuda and thereafter will become a wholly owned direct or indirect subsidiary of Level 3 Financing, Inc., a Delaware corporation (the “Borrower” and, together with Parent, “you”) (the foregoing transactions are referred to herein as, the “Acquisition”). As used herein, “Citi” means Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc. and/or any of their affiliates as Citi shall determine to be appropriate to provide the services contemplated herein.

You have also advised us that, to finance the Existing Apollo Debt Repayment and the costs and expenses relating to the Acquisition and the related transactions, the Borrower intends (a) to

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obtain a senior secured term loan facility in an aggregate principal amount of not more than \$650,000,000 having the terms set forth on Annex I hereto (the “Tranche B II Term Facility”) and (b) either (i) to issue senior unsecured notes in an aggregate principal amount of not more than \$1,100,000,000 (the “Senior Notes”) in a registered public offering or a Rule 144A offering or other private placement or obtain the proceeds of debt or equity securities issued by Parent that are specified by the Borrower to you to be used to finance the Transactions (“Designated Other Securities”) or (ii) if and to the extent that the Borrower does not issue \$1,100,000,000 in aggregate principal amount of the Senior Notes or Designated Other Securities on or prior to the Closing Date (as defined below), on such date borrow not more than \$1,100,000,000, less the gross cash proceeds from the issuance of the Senior Notes and Designated Other Securities issued pursuant to clause (i) above, in aggregate principal amount of loans under a senior unsecured bridge facility having the terms set forth on Annex II (the “Bridge Facility”, and together with the Tranche B II Term Facility, the “Facilities”). Capitalized terms used but not defined herein have the meanings assigned thereto in the Annexes hereto (such Annexes are collectively referred to as the “Term Sheets”; the term sheets and this letter, the “Commitment Letter”). For purposes of this Commitment Letter, the term “Senior Notes” shall include an offering of debt securities by a subsidiary of Parent that is not the Borrower or a “restricted” subsidiary for purposes of Parent’s or the Borrower’s existing indebtedness, which subsidiary will be merged with and into, or which debt securities will be assumed by, the Borrower on the Closing Date.

1. Commitments; Titles and Roles .

In connection with the foregoing, (a) Bank of America is pleased to advise you of its commitment to provide up to 50% of the entire principal amount of each of the Tranche B II Term Facility and the Bridge Facility and (b) Citi is pleased to advise you of its commitment to provide up to 50% of the entire principal amount of each of the Tranche B II Term Facility and the Bridge Facility, in each case on the terms and subject to the conditions set forth or referred to in this Commitment Letter. The commitments of the Initial Lenders hereunder are several and not joint and shall be subject only to the conditions set forth in Section 5 below under the heading “Conditions Precedent”.

In addition, each of MLPFS and CGMI is pleased to advise you of its willingness to act, and you hereby appoint each of MLPFS and CGMI, as a joint lead arranger and joint bookrunning manager with respect to the Facilities, in each case on the terms and subject to the conditions set forth or referred to in this Commitment Letter. You agree that no other agents, co-agents, arrangers or bookrunning managers will be appointed, no other titles will be awarded and no compensation (other than compensation expressly contemplated by this Commitment Letter and the Fee Letter referred to below) will be paid to any Lender (as defined below) in order to obtain its commitment to participate in the Facilities unless you and we shall so agree; provided that no later than seven business days after the date hereof, you may appoint up to three financial institutions (or any relevant affiliate) in consultation with the Lead Arrangers as additional joint lead arrangers and joint bookrunning managers and award such joint lead arrangers and joint bookrunning managers additional agent or co-agent titles in a manner determined by you in consultation with the Lead Arrangers (it being understood that, to the extent you appoint additional agents, co-agents, arrangers or bookrunning managers or confer other titles in respect of any or each of the Facilities, the commitments of the Initial Lenders in respect of the Facilities

will be reduced by the amount of the commitments of such appointed entities (or their relevant affiliates), with such reduction allocated to reduce the commitments of the Initial Lenders at such time on a pro rata basis according to the respective amounts of their commitments, upon the execution by such financial institution (and any relevant affiliate) of customary joinder documentation and, thereafter, each such financial institution (and any relevant affiliate) shall constitute a "Commitment Party", "Lead Arranger" and "Initial Lender" hereunder); provided further that (x) in no event will Bank of America's and Citi's commitments be less than (A) 70% of the entire principal amount of each of the Tranche B II Term Facility and the Bridge Facility if one financial institution (and any relevant affiliates) is appointed pursuant to the foregoing proviso or (B) 65% of the entire principal amount of each of the Tranche B II Term Facility and the Bridge Facility if more than one financial institution (and any relevant affiliates) is appointed pursuant to the foregoing proviso and (y) no other participating institution shall be entitled to a greater percentage of the aggregate economics than either of Bank of America or Citi.

The Initial Lenders shall retain exclusive control over all rights and obligations with respect to their respective commitments hereunder, including all rights with respect to consents, modification and amendments, until the consummation of the Acquisition on the Closing Date, in each case, unless you and we shall otherwise agree. You agree that only MLPFS and CGMI will have "upper left" designation in any and all marketing materials or other documentation used in connection with the Facilities and MLPFS and CGMI will share management of the physical books for the syndication of the Bridge Facility. You may at any time reduce all or a portion of the commitment for the Bridge Facility upon written notice to the Commitment Parties.

2. Syndication.

Each of the Initial Lenders intends, and reserves the right, to syndicate all or a portion of its commitment hereunder with respect to any of the Facilities to one or more financial institutions that will become parties to the definitive documentation for such Facility pursuant to syndications to be managed by the Lead Arrangers (the financial institutions becoming parties to such definitive documentation being collectively referred to as the "Lenders"), and the Lead Arrangers intend to commence such syndication promptly after the date hereof.

It is understood and agreed that the Lead Arrangers will, in consultation with you, manage and control all aspects of the syndication of each Facility, including decisions as to the selection of prospective Lenders and any roles or titles offered to proposed Lenders, when commitments will be accepted and the final allocations of the commitments among the Lenders. It is understood that no Lender participating in either Facility will receive compensation from you in order to obtain its commitment, except on the terms contained herein and in the applicable Term Sheet. It is also understood and agreed that the amount and distribution of the fees among the Lenders will be at the sole discretion of the Lead Arrangers.

You agree to actively assist, and to use your commercially reasonable efforts to cause Apollo to actively assist, the Lead Arrangers in achieving a syndication of each Facility that is satisfactory to the Lead Arrangers. Such assistance shall include (a) your providing, and causing your advisors to provide and using your commercially reasonable efforts to cause Apollo and its advisors to provide, the Lead Arrangers upon request with all information reasonably deemed

necessary by the Lead Arrangers to complete the syndication, including information and evaluations prepared by or on behalf of you or Apollo relating to the Transactions, (b) your assistance, and causing your advisors to assist and using your commercially reasonable efforts to cause Apollo and its advisors to assist, in the preparation of a customary Confidential Information Memoranda and other customary marketing materials to be used in connection with the syndication, (c) your using commercially reasonable efforts to ensure that the syndication benefits materially from your and Apollo's existing relationships with banks and other financial institutions and (d) your otherwise assisting the Lead Arrangers in their syndication efforts by making your officers and advisors, and using your commercially reasonable efforts to make the officers and advisors of Apollo, available from time to time to attend and make presentations regarding the business, operations, assets, liabilities, financial position, results of operations and prospects of you and Apollo, as appropriate, and the Transactions at one or more meetings of prospective Lenders. You further agree (i) to meet after the date hereof with each of Moody's Investor Services, Inc. ("Moody's") and Standard & Poor's Ratings Group, a division of The McGraw Hill Corporation ("S&P"), in order to obtain their indications of (A) a public corporate family rating of Parent from Moody's, (B) a public corporate credit rating of Parent from S&P and (C) a public credit rating for the Facilities from each of Moody's and S&P, in each case after giving effect to the Transactions, and (ii) in any event, to use your commercially reasonable efforts to obtain each such rating no later than the earlier of (A) the date that is five months after the date hereof and (B) the date that is 30 days prior to the Closing Date. Notwithstanding any provision herein to the contrary, neither completion of syndication nor receipt of ratings is a condition to providing the Facilities on the Closing Date. Your obligations in respect of syndication of the Facilities shall terminate upon the earlier of (a) the date of Successful Syndication (as defined in the Fee Letter) and (b) the determination of the Lead Arrangers upon notice to you.

3. Information Requirements.

You hereby represent and warrant that (a) all information, other than the Projections (as defined below), that has been or will be made available to us or any of the Lenders by or on behalf of you, Apollo or any of your or its subsidiaries in connection with any aspect of the Transactions (the "Information") is or will be, when made available, complete and correct in all material respects and does not or will not, when made available, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances under which such statements are made (it being understood that the foregoing representation and warranty, insofar as it relates to Information concerning Apollo, is made to the best of your knowledge) and (b) all financial projections concerning you and Apollo that have been or will be made available to us or any of the Lenders by or on behalf of you or any of your subsidiaries (the "Projections") have been or will be prepared in good faith based upon assumptions that are believed by you in good faith to be reasonable at the time made and at the time the related Projections are so made available (it being understood that the Projections by their nature are inherently uncertain, no assurances are being given that the results reflected in the Projections will be achieved, and actual results may differ from the Projections and that such differences may be material). You agree that if at any time prior to the later of (i) the Closing Date and (ii) the termination of the syndication of the Facilities as determined by the Lead Arrangers and notified to you, you become aware that the representation and warranty in the immediately preceding sentence would not be true if the



Information and Projections were being furnished and such representation and warranty were being made at such time, then you will promptly, as appropriate, supplement the Information and the Projections so that such representation or warranty would be true under those circumstances. You understand that we, in arranging and syndicating the Facilities, will be using and relying on the Information and Projections without independent verification thereof.

You hereby acknowledge that (a) the Commitment Parties or any of them will make available Information and Projections (collectively, the “Borrower Materials”) to the prospective Lenders by posting the Borrower Materials on IntraLinks or another similar electronic system (the “Platform”) and (b) certain of the prospective Lenders may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to you, Apollo, your or its subsidiaries or the securities of any of the foregoing for purposes of United States federal and state securities laws (“MNPI”)) (each, a “Public Lender”). You hereby agree that (i) you will identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” (which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof), (ii) by marking any Borrower Materials “PUBLIC,” you shall be deemed to have authorized each Commitment Party and the prospective Lenders to treat such Borrower Materials as not containing any MNPI, it being understood that certain of such Borrower Materials may be subject to the confidentiality requirements set forth in the definitive credit documentation, (iii) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Investor” and (iv) each Commitment Party shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable to be made available only on a portion of the Platform not designated “Public Investor”. If the Lead Arrangers shall so request, you agree to assist (and to use commercially reasonable efforts to cause Apollo and its advisors to assist) in the preparation of an additional version of the Confidential Information Memoranda and other marketing materials to be used by Public Lenders that does not contain MNPI. It is understood that, in connection with your assistance described above, at the request of the Lead Arrangers you will provide, and will cause all other applicable persons to provide, authorization letters to the Lead Arrangers authorizing the distribution of the Borrower Materials to prospective Lenders and containing a representation to the Lead Arrangers that any “PUBLIC” version thereof does not include MNPI. You acknowledge and agree that the following documents may be distributed to Public Lenders: (A) drafts and final versions of the definitive documentation with respect to the Facilities, (B) administrative materials prepared by the Lead Arrangers for prospective Lenders (such as a lender meeting invitation, allocations and funding and closing memoranda) and (C) term sheets and notification of changes in the terms of the Facilities.

#### 4. Fees and Indemnities .

As consideration for our commitments and agreements hereunder, you agree to pay the fees set forth in the Fee Letter dated as of the date hereof among the parties hereto (the “Fee Letter”).

You also agree to reimburse each initial Commitment Party from time to time on demand for all reasonable out-of-pocket fees and expenses (including due diligence expenses and the reasonable fees, disbursements and other charges of only one counsel (Cravath, Swaine & Moore LLP) to

the initial Commitment Parties, and of any local or regulatory counsel retained by the Commitment Parties, but not any internal counsel, and in each case subject to delivery to you of reasonable supporting documentation) incurred in connection with this Commitment Letter, the Fee Letter, the Facilities, the syndication thereof, the preparation of the definitive documentation therefor and the other transactions contemplated hereby.

You also agree to indemnify and hold harmless each Commitment Party, each affiliate thereof and the officers, directors, employees, agents, controlling persons, advisors and other representatives of any of the foregoing (each, an “Indemnified Party”) from and against (and will reimburse each Indemnified Party as the same are incurred for) any and all claims, damages, losses, liabilities and expenses (including the reasonable fees, disbursements and other charges of counsel) that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or by reason of (including in connection with any investigation, litigation or proceeding or preparation of a defense in connection therewith) (a) any aspect of the Transactions and any of the other transactions contemplated thereby or (b) the Facilities or any use made or proposed to be made with the proceeds thereof, except to the extent such claim, damage, loss, liability or expense is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from (i) such Indemnified Party’s gross negligence or willful misconduct or (ii) a material breach by such Indemnified Party of its obligations under this Commitment Letter. In the case of an investigation, litigation or proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by you, your equityholders or creditors or an Indemnified Party, whether or not an Indemnified Party is otherwise a party thereto and whether or not any aspect of the Transactions is consummated. You also agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to you arising out of, related to or in connection with any aspect of the Transactions, except for any liability of a Commitment Party to the extent of direct (as opposed to special, indirect, consequential or punitive) damages determined in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party’s gross negligence, willful misconduct or material breach of its obligations hereunder. You further agree that no Indemnified Party shall have any liability (whether direct or indirect, in contract or tort or otherwise) to Apollo, any of its affiliates, any equityholder or creditor of any of the foregoing or any other person (other than, solely to the extent expressly set forth herein, to you) arising out of, related to or in connection with any aspect of the Transactions and that any such liability of a Commitment Party to you shall only arise to the extent direct damages to you have been caused by breach of such Commitment Party’s obligations hereunder to negotiate in good faith definitive documentation for the applicable Facility on the terms set forth herein, as determined in a final, non-appealable judgment by a court of competent jurisdiction. It is understood and agreed that obligations of a Commitment Party hereunder are several, and not joint, with the obligations of any other Commitment Party hereunder or obligations of any other Lender. Notwithstanding any other provision of this Commitment Letter, no Indemnified Party shall be liable for any damages arising from the use by others of information or other materials obtained through electronic telecommunications or other information transmission systems. You shall not, without the prior written consent of each applicable Indemnified Party (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened investigation, litigation or proceeding against an Indemnified Party in respect of which indemnity could have been sought hereunder by such Indemnified Party unless (i) such settlement includes an

unconditional release of such Indemnified Party from all liability or claims that are the subject matter of such investigation, litigation or proceeding and (ii) does not include any statement as to any admission.

5. Conditions Precedent.

Each Commitment Party's commitment hereunder and each Lead Arranger's agreement to perform the services described herein are subject only to the satisfaction of each of the following conditions precedent:

(a) the negotiation, execution and delivery of definitive documentation with respect to each Facility (the "Facilities Documentation", which shall be prepared by counsel for the Commitment Parties based upon, and substantially consistent with, the terms set forth in this Commitment Letter (including the Annexes hereto) and otherwise reasonably satisfactory to the Commitment Parties and Parent but shall be subject to the Documentation Principles (as defined below);

(b) prior to and during the syndication of the Facilities, there shall be no offering, placement or arrangement of any debt securities, convertible debt securities (including any other equity-linked debt security), equity securities or bank financing by or on behalf of you, Apollo or any of your or its respective subsidiaries (other than (i) the Facilities, (ii) the Designated Other Securities, (iii) the Senior Notes, (iv) up to \$300 million in aggregate principal amount or gross proceeds of other debt securities, convertible debt securities (including any other equity-linked debt security) or equity securities (or a combination thereof) issued by Parent (which are not guaranteed by any subsidiary of Parent, Apollo or any subsidiary of Apollo), provided that no more than \$150 million of such amount shall be used for any purpose other than to refinance existing indebtedness (any such securities referred to in this clause (iv), "Parent Refinancing Securities") and (v) up to \$95 million of borrowed money by your foreign subsidiaries);

(c) except as disclosed in the introductory paragraph to Article III or Article IV of the Acquisition Agreement, since December 31, 2010, no (i) Company Material Adverse Effect (as defined in the Acquisition Agreement) shall have occurred and (ii) Combined Material Adverse Effect (to be defined using a definition comparable to the definition of "Company Material Adverse Effect" and "Parent Material Adverse Effect" as set forth in the Acquisition Agreement but as applied to the Parent and its subsidiaries and Apollo and its subsidiaries taken as a whole) shall have occurred;

(d) the Lead Arrangers having been afforded a period of at least 20 consecutive days following the commencement of the general syndication of the Facilities and prior to the Closing Date to syndicate the Facilities, provided that such period does not include any day from and including August 22, 2011, through September 6, 2011, November 21, 2011, through November 25, 2011, and December 19, 2011, through January 2, 2012;

(e) the payment of fees pursuant to the Fee Letter that are due and payable on or prior to the Closing Date and for which, if applicable, reasonably detailed invoices have been delivered prior to the Closing Date; and

(f) the other conditions expressly set forth in (i) “Conditions Precedent to Initial Borrowing” in Annex I to this Commitment Letter, (ii) “Conditions Precedent” in Annex II-A to this Commitment Letter and (iii) Annex III to this Commitment Letter.

It is understood that, with respect to guarantees and collateral, paragraph 5 in Annex III to this Commitment Letter is the only condition precedent. The provisions of paragraph 5 in Annex III to this Commitment Letter are referred to herein as the “Funds Certain Provisions”.

In addition, notwithstanding anything in this Commitment Letter, the Facilities Documentation or any other letter agreement or other undertaking concerning the financing of the Acquisition to the contrary, (i) the only representations and warranties relating to Parent, the Borrower or Apollo or their respective businesses or subsidiaries the accuracy of which shall be a condition to the funding of the Facilities on the Closing Date shall be (A) such representations and warranties made by Apollo in the Acquisition Agreement as are material to the interests of the Commitment Parties, but only to the extent that the Parent or AcquireCo has the right to terminate its obligations under the Acquisition Agreement as a result of a breach of such representations in the Acquisition Agreement or to the extent the accuracy of such representation is a condition precedent to your obligations under the Acquisition Agreement and (B) the Specified Representations (as defined below) and (ii) the terms of the Facilities Documentation shall be such that they do not impair the availability of the proceeds of the Facilities on the Closing Date if the conditions set forth in paragraphs (a) through (f) above are satisfied or waived. For purposes hereof, “Specified Representations” means the representations and warranties of Parent and the Borrower in the Facilities Documentation relating to corporate existence, power and authority, the due execution, delivery and enforceability of the Loan Documents, the validity, priority and perfection of liens (subject to the Funds Certain Provisions), solvency, PATRIOT ACT information, no conflicts with organizational documents, no consent from governmental authorities (that has not been obtained) to the advance of the funds under the Facilities Documentation, Federal Reserve margin regulations and the Investment Company Act. The requirements of this paragraph are the “Documentation Principles”.

6. Confidentiality and Other Obligations .

This Commitment Letter (including the Annexes hereto) and the Fee Letter and the contents hereof and thereof are confidential and, except for the disclosure hereof or thereof on a confidential basis to your directors, officers and other senior management, accountants, attorneys and other professional advisors retained in connection with the Transactions, may not be disclosed in whole or in part to any person without our prior written consent; provided, however, that you may disclose this Commitment Letter (including the Annexes hereto) but not the Fee Letter (other than in mutually agreed redacted form to Apollo, which may only be disclosed pursuant to the following clause (a)) (a) on a confidential basis to the directors, officers and other senior management, attorneys and other professional advisors of Apollo in connection with their consideration of the Acquisition and the other Transactions, (b) after your acceptance of this Commitment Letter and the Fee Letter, in filings with the Securities and Exchange Commission and other applicable regulatory authorities and stock exchanges (which may specify the amount of fees to the extent required to be disclosed), (c) after written notice to us (to the extent permitted by law) of any legally required disclosure, as otherwise required by law and (d) to the

extent required in connection with any proceeding for the enforcement of this Commitment Letter and related documents.

You acknowledge that the Commitment Parties or their affiliates may be providing financing or other services to persons whose interests may conflict with yours. Consistent with each Commitment Party's policy to hold in confidence the affairs of its customers, such Commitment Party agrees not to furnish confidential information obtained from you to any of its other customers and to treat confidential information relating to you, Apollo and your and its respective affiliates with the same degree of care as it treats its own confidential information. You also acknowledge that no Commitment Party will make available to you confidential information that it has obtained or may obtain from any other customer. In connection with the services and transactions contemplated hereby, you agree that the Commitment Parties are permitted to access, use and share with any of their respective bank or non-bank affiliates, agents, advisors (legal or otherwise) or representatives any information concerning you, Apollo or any of your or its respective affiliates that is or may come into the possession of the Commitment Parties or any of such affiliates.

In connection with all aspects of each transaction contemplated hereby, you acknowledge and agree that: (a) the Facilities and any related arranging or other services described in this Commitment Letter are arm's-length commercial transactions between you and your affiliates, on the one hand, and each Commitment Party, on the other hand, and you are capable of evaluating and understanding and understand and accept the terms, risks and conditions of the transactions contemplated by this Commitment Letter; (b) in connection with each transaction contemplated hereby and the process leading to such transaction, each Commitment Party is and has been acting solely as a principal and is not acting as an agent or fiduciary for you or any of your affiliates, equityholders, creditors or employees or any other person; (c) none of the Commitment Parties has assumed or will assume an advisory (except as otherwise expressly agreed in writing by the relevant parties) or fiduciary responsibility in favor of you or any of your affiliates, equityholders, creditors or employees or any other person with respect to any of the transactions contemplated hereby or the process leading thereto (irrespective of whether any of the Commitment Parties has advised or is currently advising you or your affiliates on other matters), and none of the Commitment Parties has any obligation to you or your affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth in this Commitment Letter; (d) each Commitment Party and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of you and your affiliates, and no Commitment Party has any obligation to disclose any of such interests by virtue of any fiduciary or advisory relationship; and (e) none of the Commitment Parties has provided any legal, accounting, regulatory or tax advice with respect to any of the transactions contemplated hereby, and you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate. You hereby waive and release, to the fullest extent permitted by law, any claims that you may have against any of the Commitment Parties with respect to any breach or alleged breach of fiduciary duty. In addition, you acknowledge that you have retained each of Citi and an affiliate of Bank of America as financial advisors (in such capacity, each a "Financial Advisor") in connection with the Acquisition. You agree not to assert any claim you might allege based on any actual or potential conflicts of interest that might be asserted to arise or result from, on the one hand, the engagement of any such Financial Advisor

and, on the other hand, our and our affiliates' relationships with you as described and referred to herein.

Each Commitment Party hereby notifies you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "Act"), such Commitment Party is required to obtain, verify and record information that identifies you and the Guarantors, which information includes your and the Guarantors' names and addresses and other information that will allow such Commitment Party to identify you and the Guarantors in accordance with the Act.

7. Survival of Obligations.

The provisions of Sections 2, 3, 4, 6, 8 and this Section 7 shall remain in full force and effect regardless of whether any definitive documentation for the Facilities shall be executed and delivered. The provisions of Sections 4, 6, 8 and this Section 7 shall remain in full force and effect notwithstanding the termination of this Commitment Letter or any commitment or agreement of any of the Commitment Parties hereunder.

8. Miscellaneous.

The Initial Lenders' commitments hereunder and the Lead Arrangers' agreements to perform the services described herein will terminate upon the first to occur of (a) the consummation of the Acquisition, (b) the abandonment or termination of the Acquisition Agreement, (c) a material breach of your obligations with respect to payment of fees under the Fee Letter and (d) April 10, 2012, unless the closing of the applicable Facility, on the terms and subject to the conditions contained herein, shall have occurred on or before such date. In addition, the Initial Lenders' commitments hereunder in respect of any Facility shall be superseded by the commitments in respect of such Facility set forth in the definitive documentation with respect to such Facility, and upon the execution and delivery of such definitive documentation by the parties thereto each Initial Lender shall be released from its commitment hereunder in respect of such Facility. Notwithstanding the foregoing, each Initial Lender shall remain liable to fund its obligations hereunder in the event any assignee of such Initial Lender shall fail to provide its portion of the Facilities. Each Commitment Party shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Facilities, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the Closing Date has occurred.

This Commitment Letter and the Fee Letter shall be governed by, and construed in accordance with, the laws of the State of New York. Each party hereto irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Commitment Letter (including the Annexes hereto) or the Fee Letter, the Transactions and the other transactions contemplated hereby or thereby or the actions of the Commitment Parties in the negotiation, performance or enforcement hereof or thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of any New York State court or Federal court sitting in the Borough of Manhattan in New York City in respect of any suit, action or proceeding arising out of or relating to the provisions of this Commitment Letter (including the Annexes hereto), the Fee Letter, the Transactions and the other transactions

contemplated hereby or thereby and irrevocably agrees that all claims in respect of any such suit, action or proceeding shall be brought, heard and determined exclusively in any such court. The parties hereto agree that service of any process, summons, notice or document by registered mail addressed to you shall be effective service of process against you for any suit, action or proceeding relating to any such dispute. Each of the parties hereto waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceedings brought in any such court, and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. A final judgment in any such suit, action or proceeding brought in any such court may be enforced in any other courts whose jurisdiction you are or may be subject by suit upon judgment.

This Commitment Letter (including the Annexes hereto) and the Fee Letter embodies the entire agreement and understanding among the Commitment Parties and you with respect to the Facilities and supersedes all prior agreements and understandings relating to the subject matter hereof. Those matters that are not covered by or made clear under the provisions of this Commitment Letter (including the Annexes hereto) or the Fee Letter are subject to the approval and agreement of us and you. No person has been authorized by any Commitment Party to make any oral or written statements that are inconsistent with this Commitment Letter.

This Commitment Letter is not assignable by you without our prior written consent (and any purported assignment without such consent will be null and void) and is intended to be solely for the benefit of the parties hereto and, to the extent expressly set forth herein, the Indemnified Parties, and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and, to the extent expressly set forth herein, the Indemnified Parties. This Commitment Letter may not be amended, and no term or provision hereof may be waived or modified, except by an instrument in writing signed by each of the parties hereto. Any and all obligations of, and services to be provided by, any of us hereunder may be performed, and any and all of our rights hereunder may be exercised, by or through our affiliates, and the indemnification and expense reimbursement provisions contained herein shall apply with equal force and effect to any such affiliates.

This Commitment Letter may be executed in multiple counterparts and by different parties hereto in separate counterparts, all of which, taken together, shall constitute an original. Delivery of an executed counterpart of a signature page to this Commitment Letter by facsimile transmission or other electronic transmission (in .pdf format) shall be effective as delivery of a manually executed counterpart hereof or thereof.

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Please confirm that the foregoing is in accordance with your understanding by signing and returning to the Commitment Parties the enclosed copy of this Commitment Letter, together, if not previously executed and delivered, with the Fee Letter on or before 11:59 p.m. (New York time) on April 11, 2011, whereupon this Commitment Letter and the Fee Letter will become binding agreements between us and you. If the Commitment Letter and Fee Letter have not been signed and returned as described in the preceding sentence by such date, this offer will terminate on such date. We look forward to working with you on this transaction.

Very truly yours,

BANK OF AMERICA, N.A.,

by

/s/ Scott Tolchin

Name: Scott Tolchin

Title: Managing Director

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED,

By

/s/ Scott Tolchin

Name: Scott Tolchin

Title: Managing Director

CITIGROUP GLOBAL MARKETS INC.,

By

/s/ Stuart Dickson

Name: Stuart Dickson

Title: Managing Director

[Signature page to the Project Apollo Commitment Letter]

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Accepted and agreed as of the date first above written:

LEVEL 3 COMMUNICATIONS, INC.,

by

/s/ Robert M. Yates

Name: Robert M. Yates

Title: Senior Vice President and Assistant Chief Legal Officer

LEVEL 3 FINANCING, INC.,

by

/s/ John M. Ryan

Name: John M. Ryan

Title: Executive Vice President, Chief Legal Officer and  
Secretary

[Signature page to the Project Apollo Commitment Letter]

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Project Apollo  
\$650,000,000 Senior Secured Tranche B II Term Loan Facility  
Summary of Terms and Conditions

The Tranche B II Term Facility described herein will be established pursuant to an amendment to the Amended and Restated Credit Agreement dated as of April 16, 2009, among Level 3 Communications, Inc., Level 3 Financing, Inc., the Lenders party thereto, Merrill Lynch Capital Corporation, as Administrative Agent and Collateral Agent, and the other parties thereto, as amended through the Closing Date (as so amended, the “Existing Credit Agreement”), effected under Section 9.02(d) of the Existing Credit Agreement, and commitments in respect of and loans under the Tranche B II Term Facility shall constitute a separate “Class” for all purposes of the Existing Credit Agreement. Capitalized terms used but not defined in this Annex I shall have the meanings assigned thereto in the Existing Credit Agreement or in the Commitment Letter to which this Annex I is attached, as applicable. Except as otherwise set forth below, the Tranche B II Term Facility shall have the terms applicable to term loans issued under the Existing Credit Agreement.

<u>Borrower:</u>	Level 3 Financing, Inc., a Delaware corporation (the “ <u>Borrower</u> ”) that is a wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation (“ <u>Parent</u> ”).
<u>Administrative and Collateral Agent:</u>	Bank of America, N.A. will continue to act as the Administrative Agent and Collateral Agent under the Existing Credit Agreement.
<u>Joint Lead Arrangers and Joint Bookrunning Managers:</u>	Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. will act as joint lead arrangers and joint bookrunning managers for the Tranche B II Term Facility (in such capacity, the “ <u>Lead Arrangers</u> ”).
<u>Tranche B II Term Lenders:</u>	A syndicate of financial institutions (the “ <u>Tranche B II Term Lenders</u> ”) arranged by the Lead Arrangers in consultation with Parent and the Borrower.
<u>Tranche B II Term Facility:</u>	A senior secured term loan facility in an aggregate principal amount of not more than \$650,000,000 (the “ <u>Tranche B II Term Facility</u> ”). Loans under the Tranche B II Term Facility (the “ <u>Tranche B II Term Loans</u> ”) will be available in U.S. dollars.
<u>Transactions:</u>	Parent intends to enter into an agreement and plan of amalgamation (together with all exhibits and schedules thereto, and all definitive documentation relating thereto, the “ <u>Acquisition Agreement</u> ”) with Global Crossing Limited, an exempt company with limited liability organized under the laws of Bermuda (“ <u>Apollo</u> ”), and a newly formed indirect subsidiary of Parent (“ <u>AcquireCo</u> ”) pursuant to which AcquireCo and Apollo will

[Signature page to the Project Apollo Commitment Letter]

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amalgamate with the amalgamated entity surviving as a direct or indirect wholly-owned subsidiary of the Borrower (the “Acquisition”). In connection with the Acquisition, (a) Apollo will repay or prepay all of its indebtedness other than certain capital leases and other debt in an amount not to exceed \$200 million in the aggregate (the “Existing Apollo Debt Repayment”), (b) the Borrower will obtain the Tranche B II Term Facility, (c) the Borrower will either (i) issue senior unsecured notes in an aggregate principal amount of not more than \$1,100,000,000 (the “Senior Notes”) in a registered public offering or a Rule 144A offering or other private placement or Parent will issue Designated Other Securities or (ii) if and to the extent that the Borrower does not issue Senior Notes and Parent does not issue Designated Other Securities on or prior to the Closing Date (as defined below) in an aggregate principal amount equal to \$1,100,000,000, on such date borrow not more than \$1,100,000,000 less the gross cash proceeds from the issuance of the Senior Notes and any Designated Other Securities issued pursuant to clause (i) above, in aggregate principal amount of loans under the Bridge Facility and (d) Parent and the Borrower will pay the fees and expenses incurred in connection with the foregoing. For purposes hereof, the term “Senior Notes” shall include an offering of debt securities by a subsidiary of Parent that is not the Borrower or a “restricted” subsidiary for purposes of Parent’s or the Borrower’s existing indebtedness, which subsidiary will be merged with and into, or which debts securities will be assumed by, the Borrower on the Closing Date. The Acquisition, the Existing Apollo Debt Repayment and the other transactions described under this heading or contemplated hereby are collectively referred to as the “Transactions”.

Availability:

The full amount of the Tranche B II Term Facility may be drawn in a single drawing on the date on which the Acquisition is consummated (the “Closing Date”). Amounts borrowed under the Tranche B II Term Facility that are repaid or prepaid may not be reborrowed.

Loan Proceeds Note; Apollo Loan Proceeds Note; Purpose:

On the Closing Date, (a) the Borrower will make a loan to Level 3 Communications, LLC, a Delaware corporation (“Level 3 LLC”), in an aggregate principal amount equal to the aggregate principal amount of the Tranche B II Term Loans, and the Loan Proceeds Note evidencing certain indebtedness owed by Level 3 LLC to the Borrower will be amended, in the manner reasonably satisfactory to the Lead Arrangers, to increase the principal amount thereof by the amount of such loan, (b) Level 3 LLC will make a loan to

Apollo in an aggregate principal amount equal to the amount required to finance the Existing Apollo Debt Repayment and payment of fees and expenses in connection with the foregoing, and Apollo will issue and deliver to Level 3 LLC an intercompany note, in form and substance reasonably satisfactory to the Lead Arrangers, evidencing such loan (the “Apollo Loan Proceeds Note”) and (c) Parent and the Borrower shall pay fees and expenses relating to the Transactions (and, to finance such payment, Level 3 LLC may use a portion of the proceeds of the loan referred to in clause (a) above to repay a portion of the Parent Intercompany Note).

Senior Notes Proceeds Note:

Upon the issuance of any Senior Notes (or, with respect to any Senior Notes issued prior to the Closing Date, on the Closing Date), the Borrower will make a loan to Level 3 LLC in an aggregate principal amount equal to the aggregate principal amount of the Senior Notes so issued in return for an intercompany demand note evidencing such loan (each, a “Senior Notes Proceeds Note”).

The Parent Intercompany Note (as defined in Financing Inc.’s existing notes (the “Existing Financing Inc. Notes”)) shall be subordinated to the right of Borrower to payment under any Senior Notes Proceeds Note on terms identical to the subordination of the Parent Intercompany Note to the proceeds notes (the “Offering Proceeds Notes”) issued in respect of the Existing Financing Inc. Notes. Each Senior Notes Proceeds Note shall be subordinated to the right of Borrower to payment under the Loan Proceeds Note on terms identical to the subordination of the Offering Proceeds Notes to the Loan Proceeds Note.

Interest Rates:

The interest rates under the Tranche B II Term Facility will be, at the option of the Borrower, (a) LIBO Rate plus 4.00% or (b) Alternate Base Rate plus 3.00%.

For purposes of the Tranche B II Term Facility, “Alternate Base Rate” shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1.00% and (c) the LIBO Rate from time to time for an interest period of one month plus 1.00%.

The LIBO Rate shall be subject to a “floor” of 1.50%, and the Alternate Base Rate shall be subject to a “floor” of 2.50%.

The Borrower may select interest periods of one, two, three or six months for LIBO Rate borrowings. Interest will be payable in arrears (a) in the case of LIBO Rate borrowings, at the end of each interest period and, in the case of any interest period longer than

three months, at the end of each three months and (b) in the case of Alternate Base Rate borrowings, on March 31, June 30, September 30 and December 31 of each year and, in each case, upon repayment or prepayment of any Tranche B II Term Loan on the amount repaid or prepaid.

Amounts not paid when due will bear interest (a) in the case of overdue principal, the applicable interest rate plus 2.00% per annum and (b) in the case of any other overdue amount, the interest rate applicable to Alternate Base Rate loans plus 2.00% per annum.

Calculation of Interest:

All interest will be computed on the basis of the actual number of days elapsed in a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed.

Upfront Fees/OID:

1.0%.

Cost and Yield Protection:

As set forth in the Existing Credit Agreement.

Maturity:

Six years from the Closing Date.

Scheduled Amortization:

None.

Mandatory Prepayments:

As set forth in the Existing Credit Agreement, consisting of: (a) prepayments with 100% of Net Available Proceeds from Asset Dispositions not reinvested or applied to prepay Indebtedness, in each case as permitted under the Existing Credit Agreement, to the extent such Net Available Proceeds exceed \$10,000,000; (b) prepayments with 100% of any payment or prepayment of the Loan Proceeds Note; and (c) prepayments upon the occurrence of a Change of Control Triggering Event.

Tranche B II Term Loans will participate in the mandatory prepayments ratably with the other Classes of Loans outstanding under the Existing Credit Agreement.

Mandatory prepayments will be made without premium or penalty, subject to reimbursement of the Tranche B II Term Lenders' redeployment costs in the case of prepayment of any LIBOR loan other than on the last day of the interest period applicable thereto. Any Lender will be permitted, on the terms set forth in the Existing Credit Agreement, to decline a portion of any mandatory prepayment otherwise due to it.

Optional Prepayments:

Optional prepayments, in whole or in part, of Tranche B II Term Loans will be permitted at any time, without premium or penalty,

in each case, subject to reimbursement of the Tranche B II Term Lenders' redeployment costs in the case of prepayment of any LIBOR loan other than on the last day of the interest period applicable thereto; provided that in the event that all or any portion of the Tranche B II Term Loans are repaid from the incurrence of bank indebtedness or repriced (or effectively refinanced) through any amendment of the Tranche B II Term Facility such that the "effective yield" (taking into account, for example, upfront fees, interest rate spreads, interest rate benchmark floors and original issue discount, but excluding the effect of any arrangement, structuring, syndication or other fees payable in connection therewith that are not shared with all lenders or holders thereof) thereof is less than the "effective yield" applicable to the Tranche B II Term Loans at the time of the initial borrowing thereof, each Tranche B II Term Lender will be paid a premium in an amount equal to 1.0% of the amount of such Tranche B II Term Loans repaid or repriced (or effectively refinanced), if such repayment or repricing (or effective refinancing) occurs prior to the first anniversary of the Closing Date. Optional prepayments will be applied to Tranche B II Term Loans and other Classes of Loans outstanding under the Existing Credit Agreement in the manner directed by the Borrower.

Guarantors:

The obligations under the Tranche B II Term Facility will be guaranteed (a) on the Closing Date by (i) Parent, (ii) BTE Equipment, LLC, (iii) Eldorado Equipment, Inc., (iv) Level 3 International, Inc. (v) Level 3 Enhanced Services, Inc. and (vi) Broadwing, LLC and (b) subject to receipt of applicable regulatory approvals, by (i) Level 3 Communications, LLC ("Level 3 LLC") (ii) TelCove Operations, LLC, (iii) Broadwing Communications, LLC, (iv) WilTel Communications, LLC, (v) each material (as determined in accordance with the Existing Credit Agreement) domestic subsidiary of Apollo including, Global Crossing Telecommunications, Inc., a Michigan corporation, and (vi) each subsidiary of Parent that guarantees the Existing Credit Agreement after the Closing Date. Each of the Guarantors of the Tranche B II Term Facility is herein referred to as a "Tranche B II Term Facility Guarantor." and its guarantee is referred to herein as a "Tranche B II Term Facility Guarantee".

The Tranche B II Term Facility Guarantee of any Tranche B II Term Facility Guarantor will rank on a pari passu basis with the guarantee of such Guarantor of Loans of any other Class under the Existing Credit Agreement. Subject to receipt of regulatory approval with respect to guarantees by Tranche B II Term Facility Guarantors that are Regulated Guarantor Subsidiaries, on and after

the Closing Date, the Tranche B II Term Facility Guarantors shall consist at all times of the same entities as are guarantors under the Existing Credit Agreement.

Security:

The obligations under the Tranche B II Term Facility and the Tranche B II Term Facility Guarantees will be secured (a) on the Closing Date by substantially all assets of (i) the Borrower (including pledges of the Loan Proceeds Note, the Bridge Loan Proceeds Note, the Apollo Loan Proceeds Note and any Senior Notes Proceeds Note) (ii) Parent, (iii) BTE Equipment, LLC, (iv) Eldorado Equipment, Inc., (v) Level 3 International, Inc. (vi) Level 3 Enhanced Services, Inc. and (b) subject to receipt of applicable regulatory approvals, by substantially all assets of (i) Broadwing, LLC, (ii) Level 3 LLC, (iii) TelCove Operations, LLC, (iv) Broadwing Communications, LLC, (v) WilTel Communications, LLC, (iv) each material (as determined in accordance with the Existing Credit Agreement) domestic subsidiary of Apollo including, Global Crossing Telecommunications, Inc., a Michigan corporation, and (vi) each subsidiary of Parent whose assets secure the Existing Credit Agreement after the Closing Date.

Liens securing the Tranche B II Term Facility and the Tranche B II Term Facility Guarantees will be pari passu with liens securing Loans of any other Class under the Existing Credit Agreement. Subject to receipt of regulatory approval with respect to liens on the assets of Tranche B II Term Facility Guarantors that are Regulated Grantor Subsidiaries, on and after the Closing Date, the Tranche B II Term Facility and the Tranche B II Term Facility Guarantees shall at all times be secured by the same assets as secure the Existing Credit Agreement.

Conditions Precedent to Borrowing:

Subject to the Documentation Principles and the Funds Certain Provisions, the making of the Tranche B II Term Loans will be subject to (a) prior written notice of borrowing, (b) the accuracy of representations and warranties with respect to corporate existence, power and authority, the due execution, delivery and enforceability of the Loan Documents, the validity, priority and perfection of liens (subject to paragraph above), solvency, PATRIOT ACT information, no conflicts with organizational documents, no consent from governmental authorities (that has not been obtained) to the advance of the funds under the Facilities Documentation, Federal Reserve margin regulations and the Investment Company Act and (c) the conditions precedent set forth in Annex III to the Commitment Letter and the other conditions precedent set forth or referred to in Section 5 of the Commitment Letter.

Representations and Warranties:

Subject to the Documentation Principles and the Funds Certain Provisions, the same (subject to appropriate changes necessary to give effect to the Transactions) those set forth in the Existing Credit Agreement, consisting of representations and warranties with respect to organization; powers; authorization; enforceability; governmental approvals; no conflicts; financial condition; no material adverse change; properties; litigation and environmental matters; compliance with laws and agreements; investment company status; taxes; ERISA; disclosure; subsidiaries; insurance; labor matters; intellectual property; security interests; FCC compliance; qualified credit facility; senior indebtedness; solvency; and PATRIOT Act information.

Affirmative Covenants:

The same (subject to appropriate changes necessary to give effect to the Transactions) as those set forth to the Existing Credit Agreement, consisting of covenants with respect to financial statements and other information; notices of material events; information regarding collateral; existence; conduct of business; payment of taxes; maintenance of properties; insurance; casualty and condemnation; annual information meeting; compliance with laws; use of proceeds; guarantee and collateral requirement; further assurances; and guarantee permit condition and collateral permit condition.

Negative Covenants:

The same (subject to appropriate changes necessary to give effect to the Transactions) as those set forth in the Existing Credit Agreement, consisting of covenants with respect to limitations on consolidated debt; limitations on indebtedness of the Borrower and Borrower restricted subsidiaries; limitations on restricted payments; limitations on dividend and other payment restrictions affecting restricted subsidiaries; limitations on liens; limitations on sales and leaseback transactions; limitations on asset dispositions; limitations on issuance and sales of capital stock of restricted subsidiaries; transactions with affiliates; limitations on designations of unrestricted subsidiaries; limitations on actions with respect to existing intercompany obligations and with respect to the Bridge Loan Proceeds Note, the Senior Notes Proceeds Notes and the Apollo Loan Proceeds Note; and limitations on consolidation, merger, conveyance transfer or lease.

Financial Covenants:

None.

Events of Default:

As set forth in the Existing Credit Agreement.

Assignments and Participations:

As set forth in the Existing Credit Agreement.



<u>Waivers and Amendments:</u>	As set forth in the Existing Credit Agreement.
<u>Expenses and Indemnification:</u>	As set forth in the Existing Credit Agreement.
<u>Governing Law and Forum:</u>	New York.
<u>Counsel to the Lead Arrangers:</u>	Cravath, Swaine & Moore LLP (and such local or regulatory counsel as may be selected by the Lead Arrangers).

Project Apollo  
\$1,100,000,000 Senior Unsecured Bridge Facility  
Summary of Terms and Conditions

Capitalized terms used but not defined in this Annex II-A shall have the meanings assigned thereto in the Commitment Letter to which this Annex II-A is attached.

<u>Borrower:</u>	Level 3 Financing, Inc., a Delaware corporation (the “ <u>Borrower</u> ”) that is a wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation (“ <u>Parent</u> ”).
<u>Administrative Agent:</u>	An affiliate of Citigroup Global Markets Inc. (in such capacity, the “ <u>Administrative Agent</u> ”) will act as the Administrative Agent for the Bridge Lenders holding the Bridge Loans (in each case, as defined below) from time to time.
<u>Joint Lead Arrangers and Joint Bookrunning Managers:</u>	The Lead Arrangers for the Tranche B II Term Facility.
<u>Bridge Lenders:</u>	A syndicate of financial institutions (the “ <u>Bridge Lenders</u> ”) arranged by the Lead Arrangers in consultation with Parent and the Borrower.
<u>Bridge Facility:</u>	A senior unsecured bridge facility in an aggregate principal amount of not more than \$1,100,000,000 (the “ <u>Bridge Facility</u> ”) minus (i) the gross proceeds of any Senior Notes and any Designated Other Securities issued in accordance with the Commitment Letter and issued on or prior to the Closing Date and (ii) any gross proceeds of the Tranche B II Term Facility in excess of \$650 million. Loans under the Bridge Facility (the “ <u>Bridge Loans</u> ”) will be available in U.S. dollars.
<u>Availability:</u>	The full amount of the Bridge Facility may be drawn in a single drawing on the Closing Date. Amounts borrowed under the Bridge Facility that are repaid or prepaid may not be reborrowed.
<u>Bridge Loan Proceeds Note; Apollo Loan Proceeds Note; Purpose:</u>	On the Closing Date, (a) the Borrower will make a loan to Level 3 LLC in an aggregate principal amount equal to the aggregate principal amount of the Bridge Loans in return for an intercompany demand note (the “ <u>Bridge Loan Proceeds Note</u> ”) in a principal amount equal to the aggregate principal amount of the Bridge Loans, (b) Level 3 LLC will make a loan to Apollo in an aggregate principal amount equal to the amount required to finance the Existing Apollo Debt Repayment and payment of fees and expenses in connection with the foregoing, and Apollo will issue and deliver to Level 3 LLC the

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Apollo Loan Proceeds Note) and (c) Parent and the Borrower shall pay fees and expenses relating to the Transactions (and, to finance such payment, Level 3 LLC may use a portion of the loan from the Borrower to repay a portion of the Parent Intercompany Note).

The Parent Intercompany Note (as defined in the Existing Financing Inc. Notes) shall be subordinated to the right of Borrower to payment under the Bridge Loan Proceeds Note on terms identical to the subordination of the Parent Intercompany Note to the proceeds notes (the “Offering Proceeds Notes”) issued in respect of the Existing Financing Inc. Notes. The Bridge Loan Proceeds Note shall be subordinated to the right of Borrower to payment under the Loan Proceeds Note (as defined in the Existing Financing Inc. Notes) on terms identical to the subordination of the Offering Proceeds Notes to the Loan Proceeds Note.

Interest Rate:

14.00% per annum. Any amount not paid when due shall bear interest at a rate equal to the Interest Rate plus 200 basis points. In no event shall the interest rate in effect at any time exceed the highest lawful rate permitted under applicable law. Interest will be payable quarterly in arrears

Calculation of Interest:

All interest will be computed on the basis of the actual number of days elapsed in a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed.

Maturity:

12 months from the Closing Date (the “Bridge Loan Maturity Date”).

Mandatory Prepayments:

The Borrower will prepay the Bridge Loans, without premium or penalty, together with accrued interest to the prepayment date, with any of the following: (a) the net cash proceeds from the issuance of any debt or equity securities of Parent or any of its subsidiaries; (b) the net cash proceeds from any capital contribution or the sale or issuance by Parent or any of its subsidiaries of any capital stock or any securities convertible into or exchangeable for capital stock or any warrants, rights or options to acquire capital stock (other than issuances to employees as compensation); and (c) subject to prepayment requirements under the Tranche B II Term Facility, the net cash proceeds from insurance proceeds or asset sales by Parent or any of its subsidiaries. The Borrower will apply the portion of such net proceeds that may be so applied in compliance with the Existing Credit Agreement, the indentures for the Existing Financing Inc. Notes and the indentures for Parent’s existing notes (the “Parent Indentures”) to prepay the Bridge Loans.

Optional Prepayment:

The Bridge Loans may be prepaid at par prior to the Bridge Loan Maturity Date, without premium or penalty, in whole or in part, upon written notice, at the option of the Borrower, at any time, together with accrued interest to the prepayment date.

Guarantors:

The obligations under the Bridge Loans will be guaranteed (a) on the Closing Date by (i) Parent, (ii) BTE Equipment, LLC, (iii) Eldorado Equipment, Inc., (iv) Level 3 International, Inc. and (v) Level 3 Enhanced Services, Inc., and (b) subject to receipt of applicable regulatory approvals, by (i) Level 3 Communications, LLC (“Level 3 LLC”), (ii) Global Crossing Telecommunications, Inc., a Michigan corporation, and (iii) each subsidiary of Parent that guarantees any of the Existing Financing Inc. Notes after the Closing Date. Each of the Guarantors of the Bridge Facility is herein referred to as a “Bridge Facility Guarantor” and its guarantee is referred to herein as a “Bridge Facility Guarantee”. Parent and Level 3 LLC currently are the only guarantors of the Existing Financing Inc. Notes. Level 3 LLC is a Regulated Guarantor Subsidiary and, accordingly, regulatory approvals will be required for Level 3 LLC to guarantee the Bridge Facility.

Ranking:

The Bridge Loans will be unsecured senior obligations of the Borrower, ranking *pari passu* with or senior to all other unsecured obligations of the Borrower, including obligations under the Existing Credit Agreement and the Existing Financing Inc. Notes. The Bridge Facility Guarantees will be unsecured senior obligations of each Bridge Facility Guarantor, ranking *pari passu* with or senior to all other unsecured obligations of such Bridge Facility Guarantor, including the guarantee of the obligations under the Existing Credit Agreement and the Existing Financing Inc. Notes by such Bridge Facility Guarantor.

Change of Control:

In the event of a Change of Control Triggering Event (as defined in the indenture governing Financing Inc.’s 9.375% Senior Notes due 2019 (the “2019 Notes”)), each Bridge Lender will have the right to require the Borrower, and the Borrower must offer, to prepay the outstanding principal amount of the Bridge Loans plus accrued and unpaid interest thereon to the date of prepayment plus a prepayment fee equal to 1% of such outstanding principal amount. Prior to making any such offer, the Borrower will, within 30 days of the Change of Control Triggering Event, repay all obligations under the Existing Credit Agreement or obtain any required consent of the Lenders under the Existing Credit Agreement to make such prepayment of the Bridge Loans.

Conversion into Rollover Loans:

If the Bridge Loans have not been previously prepaid in full for cash on or prior to the Bridge Loan Maturity Date, the principal amount of the Bridge Loans outstanding on the Bridge Loan Maturity Date may, subject to the conditions precedent set forth in Annex II-B to the Commitment Letter, be converted into unsecured senior rollover loans with a maturity of six years from the Bridge Loan Maturity Date (the “Rollover Loans”) and otherwise having the terms set forth in Annex II-B to the Commitment Letter. On or after the Bridge Loan Maturity Date, each Bridge Lender will have the right to exchange the outstanding Rollover Loans held by it for unsecured senior exchange notes (the “Exchange Notes”) of the Borrower having the terms set forth in Annex II-C to the Commitment Letter.

The Bridge Loans, the Rollover Loans, the Exchange Notes and the respective guarantees thereof shall be *pari passu* for all purposes.

Conditions Precedent:

Subject to the Documentation Principles and the Funds Certain Provisions, the making of the Tranche B II Term Loans will be subject to (a) prior written notice of borrowing, (b) the accuracy of representations and warranties with respect to corporate existence, power and authority, the due execution, delivery and enforceability of the Loan Documents, the validity, priority and perfection of liens (subject to paragraph above), solvency, PATRIOT ACT information, no conflicts with organizational documents, no consent from governmental authorities (that has not been obtained) to the advance of the funds under the Facilities Documentation, Federal Reserve margin regulations and the Investment Company Act and (c) the conditions precedent set forth in Annex III to the Commitment Letter and the other conditions precedent set forth or referred to in Section 5 of the Commitment Letter.

Bridge Facility Documentation:

Subject to the Funds Certain Provisions and the Documentation Principles, the Facilities Documentation for the Bridge Facility shall contain those terms and conditions set forth in the Commitment Letter, and shall otherwise contain representations and warranties, covenants, events of default and waiver and consent provisions substantially consistent with the Tranche B II Term Facility, in each case, subject to (a) changes to add customary securities demand and cooperation covenants, including a covenant for the Borrower to use its best efforts to refinance the Bridge Facility with the proceeds of the Permanent Securities as promptly as practicable following the Closing Date and (b) changes (taking into account reasonable business requirements of the Borrower) to make more restrictive the covenants in the Tranche B II Term Facility related to (i) restricted payments, including, to the greatest extent possible under the “Limitation on Dividend and Other Payment Restrictions Affecting Restricted

Subsidiaries” covenant set forth in the indentures governing the Existing Financing Inc. Notes and Parent’s existing notes, the ability of the Borrower to pay dividends or otherwise transfer property or assets to Parent prior to the Bridge Loan Maturity Date (other than to pay interest and principal in respect of existing indebtedness as it becomes due and incur related expenses) and (ii) investments.

Assignments and Participations:

The Bridge Lenders shall have the right to assign their interest in the Bridge Loans in whole or in part in compliance with applicable law to any third parties only with the prior written consent of the Lead Arrangers. The Bridge Lenders will be permitted to sell participations with voting rights limited to significant matters such as changes in amount, interest rate and maturity date.

Expenses and Indemnification:

In addition to those out-of-pocket expenses reimbursable under the Commitment Letter, Parent or the Borrower will pay all reasonable costs and expenses of the Lead Arrangers and the Administrative Agent associated with the preparation, due diligence, administration, syndication and enforcement of all loan documentation, including the legal fees and expenses of counsel to the Lead Arrangers, regardless of whether or not the Bridge Facility is closed. Parent or the Borrower will also pay the expenses of each Bridge Lender in connection with the enforcement of any of the loan documentation related to the Bridge Facility. Parent and the Borrower will jointly and severally indemnify each of the Lead Arrangers, the Administrative Agent and the Bridge Lenders and hold them harmless from and against all costs, expenses (including reasonable fees, disbursements and other charges of counsel) and liabilities arising out of or relating to any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any Bridge Lender is a party thereto) that relates to the Transactions or any transactions related thereto, except to the extent determined by a final judgment of a court of competent jurisdiction to have arisen solely from such person’s gross negligence or willful misconduct.

Governing Law and Forum:

New York.

Counsel for the Lead Arrangers:

Cravath, Swaine & Moore LLP (and such local or regulatory counsel as may be selected by the Lead Arrangers).

Fees:

As provided in the Fee Letter.

Project Apollo  
\$1,100,000,000 Senior Unsecured Rollover Facility  
Summary of Terms and Conditions

Capitalized terms used but not defined in this Annex II-B shall have the meanings assigned thereto in the Commitment Letter to which this Annex II-B is attached.

<u>Borrower:</u>	Level 3 Financing, Inc., a Delaware corporation (the “ <u>Borrower</u> ”) that is a wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation (“ <u>Parent</u> ”).
<u>Rollover Facility:</u>	A senior unsecured rollover facility in an initial principal amount equal to 100% of the outstanding principal amount of the Bridge Loans on the Bridge Loan Maturity Date (the “ <u>Rollover Facility</u> ”). Loans under the Rollover Facility (the “ <u>Rollover Loans</u> ”) will be available in U.S. dollars. Subject to the conditions precedent set forth below, the Rollover Facility will be available to the Borrower to refinance the Bridge Loans on the Bridge Loan Maturity Date. The Rollover Facility will be governed by the definitive documents for the Bridge Facility and, except as set forth below, shall have the same terms as the Bridge Facility (including with respect to Optional Prepayments).
<u>Interest Rate:</u>	The Rollover Loans shall bear interest at a rate equal to the interest borne by the Bridge Loans on the day immediately preceding the Bridge Loan Maturity Date.
<u>Calculation of Interest:</u>	All interest will be computed on the basis of the actual number of days elapsed in a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed
<u>Maturity:</u>	Six years from the Bridge Loan Maturity Date.
<u>Guarantors:</u>	Same as under the Bridge Facility.
<u>Ranking:</u>	Same as the Bridge Loans.
<u>Conditions Precedent to Rollover:</u>	The ability of the Borrower to refinance any Bridge Loans with Rollover Loans is subject to the following conditions being satisfied:

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- (a) at the time of any such refinancing, there shall exist no payment or bankruptcy Event of Default;
- (b) all fees due to the Lead Arrangers and the Initial Bridge Lenders shall have been paid in full;
- (c) the Bridge Lenders shall have received promissory notes evidencing the Rollover Loans (if requested) and such other documentation as shall be set forth in the loan documents; and
- (d) no order, decree, injunction or judgment enjoining any such refinancing shall be in effect.

Assignments and Participations:

The Bridge Lenders shall have the right to assign their interest in any Rollover Loans in whole or in part in compliance with applicable law to any third parties only with the prior written consent of the Lead Arrangers. The Bridge Lenders will be permitted to sell participations with voting rights limited to significant matters such as changes in amount, interest rate and maturity date.

Rollover Covenants:

From and after the Bridge Loan Maturity Date, the covenants applicable to the Rollover Loans will conform to those applicable to the 2019 Notes.

Governing Law and Forum:

New York.

Expenses and Indemnification:

Same as the Bridge Facility.

Fees:

As provided in the Fee Letter.



Project Apollo  
\$1,100,000,000 Senior Unsecured Exchange Notes  
Summary of Terms and Conditions

Capitalized terms used but not defined in this Annex II-C shall have the meanings assigned thereto in the Commitment Letter to which this Annex II-C is attached.

<u>Issuer:</u>	Level 3 Financing, Inc., a Delaware corporation (in its capacity as issuer, the “ <u>Issuer</u> ”) that is a wholly-owned subsidiary of Level 3 Communications, Inc., a Delaware corporation (“ <u>Parent</u> ”).
<u>Exchange Notes:</u>	At any time on or after the Bridge Loan Maturity Date, the Rollover Loans due to the Bridge Lenders holding not less than \$10 million of the outstanding Rollover Loans may, at the option of such Bridge Lenders, be exchanged for an equal principal amount of Exchange Notes. The Issuer will issue the Exchange Notes under an indenture that complies with the Trust Indenture Act of 1939, as amended (the “ <u>Indenture</u> ”). The Issuer will appoint a trustee reasonably acceptable to the holders of the Exchange Notes. The Exchange Notes and the Indenture will be fully executed and deposited into escrow at the closing of the Bridge Loans. The Indenture will be in substantially the form attached as an exhibit to the definitive agreement for the Bridge Facility. The Indenture will include provisions substantially similar to those in the Indenture for the 2019 Notes. Except as expressly set forth in this Annex II-C, the Exchange Notes shall have the same terms as the Rollover Loans.
<u>Maturity:</u>	Six years from the Bridge Loan Maturity Date.
<u>Interest Rate:</u>	The Exchange Notes shall bear interest at a rate equal to the interest borne by the Bridge Loans on the day immediately preceding the Bridge Loan Maturity Date. Interest on the Exchange Notes will be calculated on the basis of a 360-day year of 12 30-day months, and will be payable semi-annually in arrears.
<u>Optional Redemption:</u>	The Exchange Notes will not be redeemable at the option of the Issuer prior to the fourth anniversary of the Closing Date (subject to a 35% equity clawback until the third anniversary of the Closing Date and a customary make-whole redemption provision at the treasury rate plus 0.50%) and will be redeemable (a) on or after the fourth anniversary of the Closing Date but prior to the fifth anniversary of the Closing Date at par plus accrued interest plus a

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premium equal to 50% of the coupon, (b) on or after the fifth anniversary of the Closing Date but prior to the sixth anniversary of the Closing Date at par plus accrued interest plus a premium equal to 25% of the coupon and (c) on or after the sixth anniversary at par plus accrued interest.

Mandatory Offer to Repurchase:

Substantially consistent with the indenture for the 2019 Notes.

Guarantors:

Same as under as the Bridge Facility.

Ranking:

Same as the Bridge Loans.

Registration Rights:

The Issuer shall file within 180 days after the date of the first issuance of Exchange Notes (the “Issue Date”) and will use its commercially reasonable efforts to cause to become effective as soon thereafter as practicable, a registration statement (the “Exchange Offer Registration Statement”) relating to an exchange offer (the “Registered Exchange Offer”) whereby Parent, the Issuer and the Bridge Facility Guarantors will offer registered notes having terms identical to the Exchange Notes in exchange for all outstanding Exchange Notes.

In the event that the Exchange Offer Registration Statement is not declared effective within 270 days following the Issue Date, or the Registered Exchange Offer is not consummated within the later of (a) 300 days following the Issue Date and (b) 30 business days following the initial effectiveness date of the Exchange Offer Registration Statement, the Issuer shall (i) as promptly as practicable, file a shelf registration statement (the “Shelf Registration Statement”) covering resales of the Exchange Notes, (ii) use commercially reasonable efforts to cause the Shelf Registration Statement to be declared effective under the Securities Act and (iii) use commercially reasonable efforts to keep the Shelf Registration Statement effective until two years after its effective date.

If (a) on or prior to 180 days after the Issue Date, neither the Exchange Offer Registration Statement nor the Shelf Registration Statement has been filed with the Securities and Exchange Commission, (b) on or prior to 270 days after the Issue Date, neither the Exchange Offer Registration Statement nor the Shelf

Registration Statement has been declared effective, (c) on or prior to the later of (i) 300 days after the Issue Date and (ii) 30 business days after the initial effectiveness date of the Exchange Offer Registration Statement, neither the Registered Exchange Offer has been consummated nor the Shelf Registration Statement has been declared effective, or (d) after either the Exchange Offer Registration Statement or the Shelf Registration Statement has been declared effective, such Registration Statement thereafter ceases to be effective or usable (subject to certain expectations) in connection with resales of the Exchange Notes in accordance with and during the periods specified in the Registration Agreement (each such event referred to in clauses (a) through (d), a “Registration Default”), interest (“Special Interest”) will accrue on the principal amount of the Exchange Notes (in addition to the stated interest on the Exchange Notes) from and including the date on which any such Registration Default shall occur to but excluding the date on which all Registration Defaults have been cured. Special Interest will accrue at a rate of 0.50% per annum during the 90-day period immediately following the occurrence of such Registration Default and shall increase by 0.25% per annum at the end of each subsequent 90-day period, but in no event shall such rate exceed 1.00% per annum.

Governing Law and Forum:

New York.

Annex II-C-3

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Project Apollo  
\$650,000,000 Senior Secured Tranche B II Term Loan Facility  
\$1,100,000,000 Senior Unsecured Bridge Facility  
Summary of Additional Conditions Precedent

The availability of the Facilities shall be subject to the satisfaction or waiver of the following additional conditions precedent. Capitalized terms used but not defined in this Annex III shall have the meanings assigned thereto in the Commitment Letter to which this Annex III is attached.

1. Acquisition. The Acquisition shall have been consummated, or substantially concurrently with the borrowing under the Facilities shall be consummated, in accordance with the Acquisition Agreement; provided that, without the prior consent of the Lead Arrangers, no provision of the Acquisition Agreement shall have been amended, supplemented or otherwise modified, and no provision thereof shall have been waived by Parent, in a manner that is material and adverse to the interests of the Lenders.
  2. Existing Apollo Debt Repayment. Apollo shall have consummated, or substantially concurrently with the borrowing under the Facilities shall consummate (or arrangements therefore reasonably satisfactory to the Lead Arrangers shall have been made), the Existing Apollo Debt Repayment, and all commitments and all liens and guarantees relating thereto shall have been, or substantially concurrently with the borrowing under the Facilities shall be, terminated or released. After giving effect to the Transactions, Apollo and its subsidiaries shall have no indebtedness other than (a) guarantees in respect of the Facilities and the Senior Notes, (b) obligations under the Apollo Loan Proceeds Note and guarantees in respect thereof and (c) other limited indebtedness to be agreed upon by Parent and the Lead Arrangers, including up to \$200 million of capital leases and other indebtedness.
  3. No Conflicts. The incurrence of indebtedness under the Facilities, including the liens and guarantees provided in connection therewith as set forth in the Commitment Letter, and the consummation of the other Transactions and the other transactions contemplated hereby will not result in (a) a default or event of default under the Existing Credit Agreement, the Existing Financing Inc. Notes, the Parent's Indentures and other material indebtedness of Parent and its subsidiaries or (b) the creation or imposition of any liens on the assets of Parent, the Borrower, Apollo or any of their respective subsidiaries (other than liens created under the definitive documentation for the Tranche B II Term Facility) and the Lead Arrangers shall have received a usual and customary no conflicts opinion (consistent with the form delivered in connection with the Existing Credit Agreement) and a certificate of the chief financial officer of Parent certifying as to the methodology and details of calculation of such incurrence as evidence of the foregoing showing compliance.
  4. Financial Statements. Parent and Apollo shall have made all annual and quarterly filings required to be made by them pursuant to the Securities and Exchange Act of 1934, as amended, and the Lead Arrangers shall have received (a) audited consolidated balance sheets and related statements of operations, stockholders' equity and cash flows of each of Parent and Apollo for each of the three fiscal years most recently ended at least 90 days prior to the Closing Date, which shall be prepared in accordance with U.S. GAAP, (b) unaudited consolidated
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balance sheets and related statements of operations, stockholders' equity and cash flows of each of Parent and Apollo for each subsequent fiscal quarter ended at least 45 days prior to the Closing Date, which shall be prepared in accordance with U.S. GAAP, and (c) a pro forma consolidated balance sheet and related pro forma consolidated statement of operations of Parent as of the end of the most recently ended fiscal quarter for which financial statements have been delivered pursuant to clause (a) and (b) above and for the four consecutive fiscal quarters then ended, prepared after giving effect to the Transactions and the other transactions contemplated hereby as if they had occurred as of the last day thereof (in each case of such balance sheet) or at the beginning of the four consecutive fiscal quarter period then ended (in the case of such statement of operations), in each case meeting the requirements of Regulation S-X for Form S-1 registration statement (but excluding information required by Rule 3-10 under Regulation S-X).

5. **Guarantee and Collateral Matters.** Subject to the Funds Certain Provisions and the Documentation Principles, the Lead Arrangers shall have received UCC, tax and judgment lien searches with respect to the Borrower, Parent and each Tranche B II Term Facility Guarantor and Bridge Facility Guarantor. Within fifteen business days of the date of the Acquisition Agreement, Parent and Apollo shall have made all filings required with respect to any regulatory approvals necessary to consummate borrowings under the Tranche B II Term Loan Facility and the Bridge Facility, in each case in the amounts contemplated by the Commitment Letter, including to provide Tranche B II Term Facility Guarantees by each Tranche B II Term Facility Guarantor, Bridge Facility Guarantees by each Bridge Facility Guarantor and collateral with respect to the Tranche B II Term Loan Facility by each Tranche B II Term Facility Guarantor. The Tranche B II Term Facility Guarantees (in the case of the Tranche B II Term Facility) and the Bridge Facility Guarantees (in the case of the Bridge Facility) shall have been executed and be in full force and effect (and all material governmental authorizations and consents required in order for any regulated subsidiary of Parent or Apollo that is required to provide a Tranche B II Term Facility Guarantee or a Bridge Facility Guarantee, as the case may be, shall have been obtained and shall be in full force and effect); provided that, with respect to any Tranche B II Term Facility Guarantee or Bridge Facility Guarantee, in each case, by any entity that is a Regulated Guarantor Subsidiary under the Existing Credit Agreement (a "Regulated Entity"), if Parent and the Borrower shall have endeavored, and caused each Regulated Entity to have endeavored, in good faith using commercially reasonable efforts to cause such authorizations and consents to be obtained prior to the Closing date, but such authorizations and consents for a Regulated Entity have not been obtained then the guarantees by such entity shall not constitute a condition precedent to borrowing under the Facilities but Parent and the Borrower shall continue (and the facilities documentation shall require Parent and the Borrower to so continue) to endeavor, and cause each Regulated Entity to continue to endeavor, in good faith using commercially reasonable efforts to cause such approvals to be obtained by the earliest practicable date. For purposes of the immediately preceding sentence, the requirement that Parent, the Borrower or any Regulated Entity use "commercially reasonable efforts" shall not be deemed to require it to make material payments in excess of normal fees and costs to or at the direction of governmental authorities or to change the manner in which it conducts its business in any respect that the management of Parent shall determine in good faith to be adverse or materially burdensome. All documents and instruments required to create and perfect the pledges of, and security interest and mortgages in, the collateral as set forth in Annex I to the Commitment Letter shall have been executed and delivered and, if applicable, be in proper form for filing; provided that, except with respect to the creation and perfection of security interests in

the pledged equity interests of the domestic subsidiaries of Parent or Apollo, as the case may be, and other assets a lien on which may be perfected by the filing of a financing statement under the Uniform Commercial Code, to the extent security interest in any collateral is not provided or perfected on the Closing Date after Parent's use of commercially reasonable efforts to do so, the delivery or perfection thereof shall not constitute a condition precedent to the borrowing under the Facilities but shall be required to be accomplished as promptly as practicable after the Closing Date (and in any event no later than the date to be mutually agreed upon by Parent and the Lead Arrangers); provided, further, that, with respect to any pledge, security interest or mortgage of assets of a Regulated Grantor Subsidiary requiring regulatory authorization or consent, if Parent and the Borrower shall have endeavored, and caused each Regulated Grantor Subsidiary to have endeavored, in good faith using commercially reasonable efforts to cause such regulatory authorization or consent to be obtained by the Closing Date, but such authorization or consent has not been obtained, then the pledge of, and security interest and mortgage in, the assets for which the required authorization or consent has not been obtained shall not constitute a condition precedent to borrowing under the Facilities but Parent and the Borrower shall continue to endeavor, and cause each Regulated Grantor Subsidiary to continue to endeavor, in good faith using commercially reasonable efforts to cause such authorization or consent to be obtained by the earliest practicable date.

6. Customary Closing Documents. Subject to the Funds Certain Provisions and the Documentation Principles, the Lead Arrangers shall have received, in each case in form and substance reasonably satisfactory to them: (a) customary legal opinions, corporate records, evidence of authority and documents from public officials, (b) customary secretary's and officer's certificates, (c) customary evidence of insurance and (d) a solvency certificate from the chief financial officer of Parent. The Lead Arrangers will have received at least 10 days prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, that is requested on a timely basis.

7. Offering Document. In the case of the Bridge Facility, the Borrower shall have engaged one or more investment banks satisfactory to the Lead Arrangers (collectively, the "Investment Bank") to sell or place the Senior Notes or debt securities substantially similar to the Senior Notes that will be used to refinance the Bridge Loans (the "Permanent Securities") and shall ensure that, (a) the Investment Bank shall have received not later than the earlier of (i) 150 days after the date of the Commitment Letter to which this Annex III is attached and (ii) 20 days prior to the Closing Date a complete printed preliminary prospectus or preliminary offering memorandum or preliminary private placement memorandum suitable for use in a customary high-yield road show relating to the issuance of the Senior Notes or Permanent Securities (including all audited financial statements, all unaudited financial statements (which shall have been reviewed by the independent accountants for Parent or Apollo, as the case may be, as provided in Statement on Auditing Standards No. 100) and all appropriate pro forma financial statements prepared in accordance with, or reconciled to, U.S. GAAP and prepared in accordance with Regulation S-X under the Securities Act of 1933, as amended, and all other data (including selected financial data) that the Securities and Exchange Commission would require in a registered offering of such securities or that would be necessary for the Investment Bank to receive customary "comfort" (including "negative assurance" comfort) from independent accountants in connection with such offering; *provided* that such preliminary prospectus,

preliminary offering memorandum or preliminary private placement memorandum shall not be required to contain a description of notes section or other information customarily provided by the Investment Bank, (b) upon delivery of the material described in clause (a), officers and advisers of Parent, Apollo and their respective subsidiaries shall have made themselves available from time to time to attend and make presentations regarding the business and prospects of Parent, Apollo and their respective subsidiaries at a meeting or meetings of prospective investors as required by the Investment Bank in its reasonable judgment to market the Senior Notes or Permanent Securities and (c) the Investment Bank shall be afforded a period of at least 30 calendar days following the receipt of the material described in clause (a) above to seek to offer and sell or privately place the Senior Notes or Permanent Securities with qualified purchasers thereof. Each 20-day period referred to above must consist of 20 consecutive business days and must not include any day from and including August 22, 2011, through September 6, 2011, November 21, 2011, through November 25, 2011, and December 19, 2011, through January 2, 2012.