

## ARTICLE IV

### COVENANTS

#### 4.1 Conduct of Business by the Company Pending the Closing.

(a) Subject to any obligations as a debtor or debtor in possession under the Bankruptcy Code, any requirements of the Joint Provisional Liquidators (whether pursuant to the Bermuda Orders or any other order of the Bermuda Court), and/or any order of the Bermuda Court, and except as set forth on Schedule 4.1, during the period from the date hereof and continuing until the earlier of the termination of this Agreement in accordance with its terms or the Closing, unless each Investor otherwise agrees in writing, the Company shall, and shall cause each of the Subsidiaries to: (i) conduct its business in the Ordinary Course of Business, including meeting its post-Petition obligations as they become due; (ii) use reasonable efforts to preserve and maintain its relationships with its customers, suppliers, partners, lessors, licensors, licensees, contractors, distributors, agents, officers and employees and other Persons with which it has significant business relationships material to the business of the Company except in relation to Executory Contracts on the Rejection List (provided, that nothing herein shall prevent the Company or any Subsidiary from commencing or defending any litigation against or by any such Person in connection with the claims of such Person in the Bankruptcy Case or in the Bermuda Case); (iii) use its reasonable efforts to preserve and maintain the Assets and properties it owns which are material to the business of the Company, ordinary wear and tear excepted other than Assets and properties which are the subject of Executory Contracts on the Rejection List; (iv) use reasonable efforts to preserve the ongoing operations of its business; (v) maintain its books and records in the Ordinary Course of Business; (vi) comply in all material respects with applicable Laws; and (vii) not enter into any business, arrangement or otherwise take any action that would reasonably be expected to have a material adverse impact on any Governmental Investigation or on the ability of the Company or the Investors to obtain any Regulatory Approvals.

(b) Without limiting the generality of the foregoing, except as expressly contemplated by this Agreement (including but not limited to Section 4.2) or as set forth on Schedule 4.1, between the date hereof and the Closing Date, the Company shall not, and shall cause each of the Subsidiaries not to, take any action that is reasonably likely to result in (i) any of the representations and warranties set forth in Article II becoming false or inaccurate in any material respect or (ii) the failure of any of the conditions set forth in Article VI to be satisfied.

(c) Notwithstanding the foregoing provisions of this Section 4.1, the parties acknowledge that the transfer of control of the Communications Licenses may require prior approval of certain Governmental Entities and that all final decisions with respect to the FCC Licenses must be taken by the Company prior to the Closing. The parties do not intend that the foregoing provisions of this Section 4.1 shall transfer control of the Communications Licenses.

(d) Notwithstanding the foregoing provisions of this Section 4.1 or any provision in this Agreement to the contrary, the parties hereto acknowledge that the Company shall not be prohibited from (i) settling or resolving any Governmental Investigation prior to the Closing so long as any such settlement would not reasonably be likely to result in, individually or in the aggregate, a Material Adverse Effect or (ii) after consultation with the Investors,

commencing insolvency proceedings for or against one or more Non-Filing Subsidiaries; provided, that the commencement of such proceedings is not reasonably likely to result in, individually or in the aggregate, a Material Adverse Effect.

#### 4.2 Reorganization Process.

(a) The Company and/or GX Holdings, as appropriate, shall, as soon as reasonably practicable after the date hereof, prepare and file with the U.S. Bankruptcy Court and/or the Bermuda Court, as applicable: (i) a Disclosure Statement with respect to the Bankruptcy Plan meeting the requirements of Bankruptcy Code Section 1125(b) (the "Disclosure Statement"); (ii) a motion to approve the Disclosure Statement; (iii) the Bankruptcy Plan; and (iv) a request for an order to call appropriate meetings of creditors to vote on the Schemes of Arrangement with the Bermuda Court (items (i) through (iv) collectively, the "Approval Motions"). The Bankruptcy Plan, any and all exhibits and attachments to the Bankruptcy Plan, the Disclosure Statement, and the other Approval Motions and the orders approving the same (including the Confirmation Order) shall be reasonably acceptable in form and substance to the Investors, and shall not be filed until consented to by the Investors, which consent shall not be unreasonably withheld. The Company shall, in the event counsel to either Investor informs the Company that they cannot receive automatic electronic notification of any filings, provide the Investors with copies of all material motions, applications, supporting papers and notices prepared by the Company (including forms of orders and notices to interested parties) relating in any way to the Bankruptcy Case. The Company shall consult with the Investors prior to taking any material action with respect to the Bankruptcy Case. The Investors shall provide the Company with all information concerning the Investors required to be included in the Disclosure Statement.

(b) The Bankruptcy Plan and the Schemes of Arrangement shall provide that (i) the restructuring of the capitalization of the Company shall occur in accordance with the terms set forth on Exhibit A (the "Restructuring"), (ii) the total equity capitalization of New GX at Closing (including the amount of outstanding common shares, preferred shares and other equity securities, including securities exchangeable or convertible into such securities) (the "New GX Capitalization") shall be as set forth on Exhibit B, (iii) the other actions set forth in Sections 2.3(c) and (d) shall be effected and (iv) except as otherwise provided in the Bankruptcy Plan, the Schemes of Arrangement, the Confirmation Order, or the Purchase Agreement, on and after the Effective Date, all Persons shall be permanently enjoined from commencing or continuing in any manner, any Litigation on account or in respect of any of the Pre-Petition Liabilities or other Liabilities satisfied pursuant to the Bankruptcy Plan; such injunctive relief shall be in addition to the relief afforded under Section 1141(d) of the Bankruptcy Code. The Company shall take such actions and cause any filings and actions to be taken by one or more of the Debtors as applicable in connection with the Restructuring to be in accordance with, and in compliance with the dates set forth in, the timetable for the Restructuring set forth on Exhibit C.

(c) The Company shall not, and shall not permit any Subsidiary to, without the prior consent of the Investors, seek or consent to the conversion of the Bankruptcy Case to a case under Chapter 7 of the Bankruptcy Code or the appointment of a trustee or examiner with managerial powers under Bankruptcy Code Section 1104, or do any of the following:

(i) consent to any relief from the automatic stay under Section 362 of the Bankruptcy Code that would reasonably be likely to result in, individually or in the aggregate, a Material Adverse Effect;

(ii) file any plan of reorganization other than the Bankruptcy Plan or the Schemes of Arrangement, file any material amendment to the Bankruptcy Plan or the Schemes of Arrangement, consent to the reduction of the exclusivity period under Bankruptcy Code Section 1121 for the filing of a plan of reorganization (the "Exclusivity Period") or fail timely to file motions seeking to obtain orders of the U.S. Bankruptcy Court extending the Exclusivity Period;

(iii) sell or abandon, or file any motion to sell or abandon, any material Assets, other than sales to customers in the Ordinary Course of Business except for the Company Asset Transfer;

(iv) authorize, or commit or agree to take, any of the foregoing actions except as excepted herein.

(d) The Company shall, on the date hereof, deliver to each Investor a true, correct and complete list of all Executory Contracts which shall include the following, each of which must be satisfactory in form and substance to the Investors in their reasonable discretion: (i) a list of Executory Contracts which the Company or any Subsidiary, as of such date, has rejected (the "Rejection List"); and (ii) a list of Executory Contracts which the Company or any Subsidiary, as of such date, has assumed (the "Assumed Contracts"). Thereafter, the assumption or rejection of any Executory Contracts which are material to the operation of the business of the Company ("Material Executory Contracts") shall be subject to the approval of the Investors in their reasonable discretion; provided, however, that so long as reasonably necessary arrangements are in place to permit the Company to operate its business in the Ordinary Course of Business, the assumption or rejection of an Executory Contract shall not be subject to the approval of the Investors unless such assumption or rejection would reasonably be likely to result in, individually or in the aggregate, a Material Adverse Effect. In addition, the motions filed with, and the proposed orders submitted to, the U.S. Bankruptcy Court seeking authorization after the date hereof to (A) assume any one or more of the Material Executory Contracts and (B) reject any or one or more of the Material Executory Contracts shall be satisfactory in form and substance to the Investors in their reasonable discretion. The Company shall consult with, and give due consideration to the views and concerns of, the Investors prior to compromising or commencing Litigation with respect to any material payment required to be made under the Bankruptcy Code to effectuate the assumption of any material Executory Contract.

(e) Subject to Section 4.2(d), the Company shall inform and consult with the Investors prior to it or any of its Subsidiaries entering into, renewing, extending, amending, modifying, waiving any material provision, or terminating, or failing to renew, any Commitments of the types set forth on Schedule 2.11. The Company shall obtain the written consent of the Investors prior to it or any of its Subsidiaries entering into, renewing, extending, amending, modifying, waiving any material provision, or terminating, or failing to renew, any Commitments of the types set forth on Schedule 2.11, but assuming that the dollar or percentage thresholds set forth therein were 2.5 times the respective amounts set forth in Section 2.11 and

assuming that the Commitments described in Sections 2.11(a) and 2.11(f) were qualified by materiality.

(f) At any time prior to the Closing, if each of the Investors, the Creditors' Committee and the Banks agree that the transactions contemplated by this Agreement and the other Transaction Documents may be completed by way of an asset acquisition in accordance with Section 363 of the Bankruptcy Code without materially delaying the Closing, then the parties hereto may agree to structure the transaction in accordance with Section 363 of the Bankruptcy Code, in which case, the parties hereto shall cooperate in good faith to take all such necessary actions, including amending this Agreement and any other Transaction Documents (to the extent any amendments are necessary), such that the transactions contemplated by this Agreement and the other Transaction Documents can be completed by way of an asset acquisition in accordance with Section 363 of the Bankruptcy Code; provided, however, that the parties hereto shall structure the transaction in a manner to avoid treatment as a reorganization under Section 368 of the Code.

4.3 No Solicitation. Except for actions required to be taken to comply with its fiduciary duties under applicable Laws, based upon consultation with external counsel, the Company shall not, nor shall it authorize or permit any Subsidiary to, nor shall it authorize or permit any Representatives of the Company or any Subsidiary to, (a) directly or indirectly solicit, initiate or encourage the submission of any offer or proposal concerning any (i) sale, lease or other disposition directly or indirectly by merger, consolidation, business combination, share exchange, joint venture or otherwise, of any Assets of the Company or any Subsidiary that are material, (ii) issuance or sale of any equity interests in the Company or any Subsidiary, or (iii) transaction which any Person will acquire beneficial ownership or the right to acquire beneficial ownership of equity interests in the Company or any Subsidiary (any of the foregoing, a "Disposition"), (b) directly or indirectly participate in any discussions or negotiations regarding, or furnish to any Person any information with respect to, or take any other action to facilitate the making of, any proposal or expression of interest that constitutes or is reasonably likely to lead to any Disposition, or (c) enter into any agreement with respect to any Disposition; provided, that, nothing herein shall prevent AGC from selling securities in a bona fide public or private sale. Without limiting the foregoing, it is agreed that any violation of the restrictions set forth in the preceding sentence by any Representative of the Company or any Subsidiary, whether or not such Person is purporting to act on behalf of the Company or any Subsidiary or otherwise, shall be deemed to be a breach of this Section 4.3 by the Company.

4.4 Board Representation. The Company agrees to take all actions necessary or appropriate such that, at Closing, the board of directors of New GX will be comprised of ten directors, four of whom shall be nominated by ST Telemedia, four of whom shall be nominated by Hutchison and two of whom shall be nominated by the Creditors Committee. The Investors agree to vote for the director(s) so nominated by the Creditors' Committee. The persons nominated by the Creditors' Committee shall (a) satisfy the "independent" director requirements of the New York Stock Exchange whether or not New GX is listed on such exchange and (b) only be entitled to serve as directors on the board of directors of New GX until the second anniversary of the Closing Date; provided, however, that if the Investors acquire, in the secondary market and not through a primary issuance, in one or more transactions, 50% or more of the New Common Shares outstanding as of the Closing (adjusted for stock splits,

combinations and other similar events) and owned by Persons other than the Investors and their Affiliates, then the Creditors' Committee shall only be entitled to nominate one person to the board of directors of New GX; and provided, further, that if the Investors acquire, in the secondary market and not through a primary issuance, in one or more transactions, 75% or more of the New Common Shares outstanding as of the Closing (adjusted for stock splits, combinations and other similar events) and owned by Persons other than the Investors and their Affiliates, then the Creditors' Committee shall not be entitled to nominate any person to the board of directors of New GX. No director nominated by the Creditors' Committee may be removed as a director of New GX during his elected term other than for cause. If any such director shall cease to serve as a director during his term, the vacancy so created shall be filled by a successor designated by such departing director, or if no such successor is designated, by a successor designated by the remaining director. If New GX does not obtain a Listing (as defined below) on or before the second anniversary of the Closing Date, then for so long as such Listing is not obtained, the Investors shall nominate to the board of directors of New GX at least two persons who shall meet the requirements of clause (a) above. In addition, the Company agrees to take all actions necessary or appropriate such that, at the Closing, the directors nominated by the Investors are appointed as the Chairman of the board of directors of New GX, the Chairman of the Audit Committee (subject to applicable stock exchange regulations), the Chairman of the Compensation Committee, the Chairman of the Executive Committee and the Chairman of the Nomination Committee (collectively, the "Board Committees").

#### 4.5 Employee Agreements; Change in Control; Indemnification

(a) As of the Closing, New GX will adopt the New GX Management Plan; provided, that (i) not more than 5% of the New Outstanding Equity shall be subject to stock options or other stock-based awards issued under the New GX Management Plan and (ii) the exercise prices of such options or other stock-based awards shall have an exercise price equal to no less than (A) the per share price of the New Common Shares purchased by the Investors pursuant to this Agreement, or (B) such higher price as may be required under the terms and conditions of the New GX Management Plan or under applicable Laws. Without limiting the generality of the foregoing, neither the Company nor any Subsidiary will enter into or assume any Commitment with any director, officer or employee of the Company or such Subsidiary that provides for annual salary and estimated bonus payment of greater than \$250,000 without the prior written consent of the Investors; provided, that the Company shall consult with the Investors prior to entering into or assuming any Commitment with any director, officer or employee of the Company or its Subsidiary that provides for annual salary and estimated bonus payment between \$85,000 and \$250,000.

(b) At any time before the Closing, the Investors shall have the right to designate for rejection by the Company any pre-Petition Date Commitment (i) with any of the officers, directors and employees of the Company and the Subsidiaries in which the transactions contemplated by this Agreement constitute a "change of control" or other similar event, and (ii) for indemnification of any Person provided by the Company or any of the Subsidiaries which is the subject of a case under the Bankruptcy Code. The Investors shall cooperate with the Company and the Creditors' Committee in connection with developing an appropriate executive remuneration plan (which will include a retention component) covering the period from the date hereof through the Closing Date. The by-laws of New GX shall provide for customary

indemnification provisions covering actions taken by the officers and directors of New GX subsequent to the Closing Date.

4.6 Fees and Expenses. The Company shall promptly reimburse and pay to the Investors all reasonable, actual, documented, out-of-pocket costs and expenses incurred by the Investors, for the period commencing on May 25, 2002 and ending on the earlier to occur of the Closing Date or the termination of this Agreement by the Investors or the Company in accordance with its terms, in connection with the Bankruptcy Case, the Schemes of Arrangement and the transactions contemplated by this Agreement and the other Transaction Documents (collectively, the "Post-Petition Investors' Expenses") up to an amount equal to \$5,200,000. The Post-Petition Investors' Expenses shall include all out-of-pocket expenses, costs and other fees of Goldman Sachs (Asia) L.L.C. and Merrill Lynch (Singapore) Pte. Ltd., other than the success fees owed to such entities that are payable in connection with the successful consummation of the transactions contemplated by this Agreement and the other Transaction Documents.

4.7 Access to Information; Confidentiality; Monthly Statements.

(a) Between the date hereof and the Closing, the Company shall (i) afford each Investor and such Investor's Representatives reasonable access, upon reasonable prior notice, during normal business hours, to the Assets, properties, offices and other facilities, officers, employees, Commitments and books and records of the Company and each Subsidiary (including AGC), and to the outside auditors of the Company and their work papers relating to the Company and the Subsidiaries, (ii) notify as promptly as practicable, each Investor of any material business development of the Company or any Subsidiary, and (iii) consult with each Investor on all matters outside the Ordinary Course of Business relating to the Company's business, strategy, financing and restructuring prior to Closing, including matters relating to the AGC Restructuring. In addition, the Company shall, and shall cause each Subsidiary to, furnish promptly to the Investors any such other information concerning its business, Assets, properties and personnel as the Investors may reasonably request at any time and from time to time. Without limiting the generality of the foregoing, the Investors may, in their sole and absolute discretion, retain auditors to review and verify the Monthly Operating Statements and review and examine any procedures, books, records and work papers used in their preparation. All such information shall be held in confidence in accordance with the terms of the ST Telemedia Confidentiality Agreement and the Hutchison Confidentiality Agreement. The parties hereto agree that no investigation by the Investors or their representatives shall affect or limit the scope of the representations and warranties of the Company contained in this Agreement or in any other Transaction Document delivered pursuant hereto or limit the liability for breach of any such representation or warranty.

(b) The Company shall furnish to each Investor: (i) copies of all statements, schedules and reports for such month required to be provided by the Company to the United States Trustee pursuant to Sections 1106(a)(1) and 704(8) of the Bankruptcy Code promptly after delivery to the United States Trustee; (ii) a monthly management report containing the information set forth on Exhibit D within 25 days after the end of each month; (iii) copies of all documents to be submitted by the Bermudian Debtors to the Bermuda Court; and (iv) copies of all statements, schedules and reports provided by the Joint Provisional Liquidators to the

Company, subject to the Investors' entry into a confidentiality agreement with the Joint Provisional Liquidators that is acceptable to them in their absolute discretion.

4.8 Governmental Investigations. The Company shall cooperate with any investigations, inquiries or requests by any Governmental Entity in connection with the Company's accounting, business or other practices, the Bankruptcy Case or the transactions contemplated by this Agreement or the other Transaction Documents, including the SEC Investigation, the FBI Investigation, the DOL Investigation and the House Committee Investigation (collectively "Governmental Investigations"); provided, however, that cooperation in this context shall not require the Company (x) to waive or otherwise relinquish any applicable privileges including the attorney client privilege or work product immunity or (y) to settle any claim. The Company shall promptly notify each Investor of any material developments concerning any Governmental Investigation and shall, to the extent such disclosure does not require the Company to waive or otherwise relinquish any applicable privileges including the attorney client privilege or work product immunity, promptly provide each Investor with copies of all correspondence and notices received from any Governmental Entity or a representative thereof in connection with any Governmental Investigations and shall provide updates to the Investors upon request as to the status of any such Governmental Investigations. To the extent permitted by applicable Laws, the Investors acknowledge that any such information shall be deemed to be "Confidential Information" under the ST Telemedia Confidentiality Agreement and the Hutchison Confidentiality Agreement, respectively, and nothing herein shall compel the Company to provide any information to the Investors which would result in the waiver of any attorney client privileges or work product immunities. The Company shall use its best efforts to enter into appropriate agreements with the Investors to allow for the disclosures under this Section 4.8 without waiving or otherwise relinquishing any applicable privileges including the attorney client privilege or work product immunity.

4.9 Reasonable Efforts; Consents; Approvals; Notification.

(a) Upon the terms and subject to the conditions set forth in this Agreement, the Company shall use its 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 to bring about the confirmation of the Bankruptcy Plan and the Schemes of Arrangement. Upon the terms and subject to the conditions set forth in this Agreement, each of the Company and the Investors shall use their 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 to consummate and make effective as promptly as practicable, the transactions contemplated by this Agreement and to bring about the satisfaction of all other conditions to the other party's obligations to close; provided, however, that nothing in this Agreement shall obligate either the Company or the Investors, or any of their respective Affiliates, to waive or modify any of the terms and conditions of this Agreement or any of the documents contemplated hereby, except as expressly set forth herein.

(b) Without limiting the generality of the foregoing, as promptly as practicable following approval of this Agreement by the U.S. Bankruptcy Court, the Company shall use its reasonable efforts to make and obtain all consents, waivers, exemptions, approvals, authorizations or orders (collectively, "Consents") which shall include (i) all Regulatory Approvals as set forth on Schedule 2.9(e), (ii) all Third Party Consents as set forth in Schedule

2.8(b), and (iii) the Consents required as a result of the filing of the Bankruptcy Case, the Confirmation Order, the Sanction Order or the change of control resulting therefrom. The Company also shall use its reasonable efforts to obtain all necessary state securities laws or blue sky permits and approvals required to carry out the transactions contemplated hereby.

(c) Without limiting the generality of the foregoing, as promptly as practicable following approval of this Agreement by the U.S. Bankruptcy Court, each Investor shall use its reasonable efforts to make and obtain all Consents which shall include (i) all Regulatory Approvals which such Investor is required to obtain, (ii) all Consents set forth on Schedule 3.6, and (iii) the Consents required to be obtained by such Investor as a result of the filing of the Bankruptcy Case, the Confirmation Order or the Sanction Order.

(d) Without limiting the generality of Sections 4.9(a), 4.9(b) and 4.9(c), the Company and each Investor agree to make, or cause to be made, as promptly as practicable after the execution of this Agreement, (i) all filings required under the HSR Act and any supplemental information requested in connection therewith pursuant to the HSR Act, (ii) an application to obtain the consent of the FCC required to consummate the transactions contemplated by this Agreement and the other Transaction Documents, (iii) all filings required or appropriate to obtain the consent of, or provide notifications to, State PUCs with respect to the transactions contemplated by this Agreement and the other Transaction Documents, (iv) all notifications or filings required or appropriate under the Exon-Florio Amendment, (v) all filings required or appropriate for transfers of Commitments, or transfer of control of Subsidiaries party to Commitments, with Governmental Entities, (vi) all filings required to be made with the Bermuda Monetary Authority and the Registrar of Companies in Bermuda, and (vii) all filings required or appropriate to obtain the consent of any Governmental Entities to consummate the transactions contemplated by this Agreement and the other Transaction Documents. Each of the Company and the Investors shall cooperate and use its reasonable efforts to furnish the others such necessary information and reasonable assistance as any other party may reasonably request in connection with its preparation of any filing or submission that is necessary to appropriate to obtain the Consents. The Company and the Investors shall coordinate with one another as far in advance as is reasonably practicable with respect to all written and oral communications with Governmental Entities in connection with the Consents, including providing a reasonable opportunity to review and comment on all filings related to the Consents. The Company and the Investors shall provide to each other copies of all correspondence, filings or communications with Governmental Entities in connection with the Consents, keep each other apprised of the status of any communications with, and any inquiries or requests for information from, the Governmental Entities in connection with the Consents, and comply promptly with any such inquiry or request and shall promptly provide any supplemental information requested by any Governmental Entity in connection with any of the Consents.

(e) Each party will use its reasonable efforts to promptly resolve any objections raised by a Governmental Entity with respect to the transactions contemplated hereby or under any Transaction Document under any Applicable Law. In the event a proceeding by a Governmental Entity is instituted challenging the transactions contemplated by this Agreement and the other Transaction Documents, each party will use its reasonable efforts to resist or promptly resolve such proceeding consistent with the terms of this Agreement. Each party will use its reasonable efforts to promptly take all such actions as may be required (i) by any

Governmental Entity in order to resolve such objections as it may have to the transactions contemplated by this Agreement and the other Transaction Documents or (ii) by any court in any proceeding challenging the transactions contemplated hereby or under any Transaction Document in order to avoid the entry of any order which has the effect of preventing the consummation of any of the transactions contemplated hereby or under any Transaction Document on terms consistent with the terms of this Agreement or which, individually or in the aggregate, are reasonably expected to have a Material Adverse Effect.

(f) (i) The Company shall give written notice to the Investors promptly upon becoming aware of any event, circumstance, condition, fact, effect, or other matter that has resulted in, or that would be reasonably likely to result in, (A) any representation or warranty set forth in Article II being or becoming untrue or inaccurate in any material respect as of any date on or after the date hereof (as if then made, except to the extent such representation or warranty is expressly made only as of a specific date, in which case as of such date), (B) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement or (C) any change, effect, event, occurrence, state of facts or development of which it becomes aware that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (ii) the Investors shall give written notice to the Company promptly upon becoming aware of any event, circumstance, condition, fact, effect, or other matter that has resulted in, or that would be reasonably likely to result in, (A) any representation or warranty set forth in Article III being or becoming untrue or inaccurate in any material respect with respect to such Investor as of any date on or after the date hereof (as if then made, except to the extent such representation or warranty is expressly made only as of a specific date, in which case as of such date), (B) the failure by it to comply with or satisfy in any material respect any covenant, condition or agreement to be complied with or satisfied by it under this Agreement, or (C) any change, effect, event, occurrence, state of facts or development of which it becomes aware that has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of such Investor to consummate the transaction contemplated by this Agreement; provided, however, that no such notification shall affect the representations, warranties, covenants or agreements of the parties or the conditions to the obligations of the parties under this Agreement.

4.10 Non-Compete Covenants. The Company shall use its commercially reasonable efforts to cause to be amended, each of the Commitments containing Non-Compete Covenants set forth on Exhibit E to the reasonable satisfaction of each Investor, such that no Non-Compete Covenants contained therein shall apply to either Investor or any of their respective Affiliates.

4.11 Press Releases. The Investors, on the one hand, and the Company, on the other hand, shall consult with each other before issuing any press release or public announcement pertaining to this Agreement or the transactions contemplated hereby and shall not issue any such press release or make any such public announcement without the prior written consent of the other, which consent shall not be unreasonably withheld, except as may be required by applicable Law or by obligations pursuant to any listing agreement with any securities exchange or market, in which case the party proposing to issue such press release or

make such public announcement shall use its reasonable efforts to consult in good faith with the other party before issuing any such press releases or making any such public announcements.

4.12 Further Assurances. At any time and from time to time after the Closing, the Company, GX Holdings and each Investor agree to use their respective reasonable efforts to cooperate with each other and (a) at the reasonable request of the other party, execute and deliver any instruments or documents, and (b) take, or cause to be taken, all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby or by the other Transaction Documents and to otherwise carry out the intent of the parties hereunder or thereunder.

4.13 Formation and Capitalization of New GX.

(a) Not later than the date on which the U.S. Bankruptcy Court approves the Disclosure Statement, the Company shall cause New GX to be formed as a company duly organized under the Laws of Bermuda or the Cayman Islands, as the Investors determine in their reasonable discretion, and to have adopted a memorandum of association and bye-laws, each in form and substance (x) reasonably satisfactory to each of the Investors, the Creditors' Committee and the Banks and (y) not inconsistent with Exhibits A-1 and A-2. The Company shall cause New GX to perform and satisfy the obligations agreed to by the Company and the Investors under this Agreement, the Bankruptcy Plan, the Schemes of Arrangement and any of the Transaction Documents. On the Closing Date, New GX shall have no assets or Liabilities other than those incurred or assumed under the Bankruptcy Plan, the Schemes of Arrangement or pursuant to any of the Transaction Documents, and shall have not engaged, directly or indirectly, in any business or activity of any type or kind, or entered into any agreement or arrangement with any Person, or subject to or bound by any obligation or undertaking, that is not contemplated by or in connection with the Bankruptcy Plan, the Schemes of Arrangement or any of the Transaction Documents.

(b) On the Closing Date and in accordance with the terms and conditions of this Agreement, the Bankruptcy Plan, the Schemes of Arrangement and the Transaction Documents: (i) the Company shall effect the Company Asset Transfer; and (ii) the Company shall, in accordance with the Schemes of Arrangement and the Bankruptcy Plan, cause New GX to cancel or repurchase any New Common Shares which had been issued to the Company upon incorporation of New GX; provided, however, that with respect to clause (i) above, the Company shall not have transferred the Company's rights and obligations under this Agreement.

(c) In the event that the Investors prefer that the Assets held directly or indirectly by GX Holdings be transferred to a subsidiary of New GX (instead of to New GX directly as is currently contemplated as part of the Company Asset Transfer), the parties agree that, at the request of the Investors, the Company Asset Transfer shall be structured such that the Assets of the Company shall all be transferred to New GX in accordance with the terms hereof, except for those Assets held by GX Holdings, which shall be transferred to a new wholly-owned subsidiary of New GX, as directed by the Investors.

4.14 Employment Matters. Except as consented to by the Investors, which consent shall not be unreasonably withheld, between the date hereof and the Closing Date, the

Company shall not, and shall cause the Subsidiaries not to, terminate or furlough employees, officers or directors constituting in excess of ten percent of the work force of the Company and the Subsidiaries in the aggregate as of the date hereof.

4.15 AGC Generally.

(a) Notwithstanding any provision to the contrary contained in this Agreement, the Company shall use its commercially reasonable efforts to prevent from being taken any actions which could reasonably be expected to impair or dilute the Company's ownership of the outstanding equity securities of AGC; provided, however, that nothing herein shall obligate the Company to (i) breach any fiduciary duties it has, or to encourage or to induce its nominees to the AGC board of directors to breach any fiduciary duties they have, to AGC and its creditors and shareholders, based upon consultation with external counsel, or (ii) make any additional investments in AGC. The Company shall consult with the Investors before taking any actions with respect to AGC which could reasonably be expected to impair or dilute the Company's ownership of the outstanding equity securities of AGC.

(b) Notwithstanding any provision to the contrary contained in this Agreement, with respect to any covenants and agreements made by the Company with respect to the Subsidiaries in this Agreement, such covenants and agreements shall, with respect solely to AGC and its subsidiaries, be limited to covenants or agreements by the Company to use, subject to any applicable fiduciary duties, its commercially reasonable efforts (including taking all actions within its power as a shareholder of AGC) to cause AGC or its subsidiaries to comply with such covenants and agreements.

4.16 Accounts Receivable. The Company shall provide to the Investors as promptly as practicable, but no later than 15 days after the end of the month immediately prior to the Closing, a schedule setting forth: (a) the aged accounts receivable of the Company and the Subsidiaries (excluding AGC and its subsidiaries) on a consolidated basis as of the end of the month immediately preceding the Closing, showing separately those receivables which, as of such date, had been outstanding from the due date for (i) 1 to 30 days, (ii) 31 to 60 days, (iii) 61 to 90 days, (iv) 91 to 120, and (v) 121 or more days, and (b) unbilled accounts receivable of the Company and the Subsidiaries (excluding AGC and its subsidiaries) on a consolidated basis as of the end of the month immediately preceding the Closing, in each case including the reserves therefor, which reserves have been calculated in accordance with both past practices of the Company and the Subsidiaries and GAAP as described in the SEC Reports.

4.17 Receivables Financing. The Company shall provide any assistance reasonably requested by the Investors in the event they seek to obtain for New GX new revolving receivables financing in a principal amount of not less than \$150 million on terms and conditions reasonably acceptable to each Investor, which financing shall be (i) fully available and undrawn as of the Closing, and available for immediate draw down after the Closing and (ii) secured only by a first priority security lien on the accounts receivables of New GX and its Subsidiaries with no more than twice the principal amount provided for under the agreement. For the avoidance of doubt, neither the Investors, the Company nor New GX shall be required to obtain any such financing.

4.18 Listing. Subject to the applicable listing requirements, as soon as reasonably practicable after the Closing Date, the Investors shall use commercially reasonable efforts to cause New GX to obtain and maintain approval for the listing of the New Company Shares on any U.S. national stock exchange or on the Nasdaq National Market or Nasdaq Small Cap Market (the "Listing"); provided, however, that neither New GX nor any of its shareholders will be required to issue or to sell any New GX securities in order satisfy the listing requirements to obtain any such listing.

4.19 Tax Returns for 2001. The Company shall file its consolidated U.S. Federal Tax Returns for the year-ended December 31, 2001, no later than September 15, 2002.

## ARTICLE V

### THE JOINT PROVISIONAL LIQUIDATORS

5.1 The Joint Provisional Liquidators' Approval. Subject to (a) their fiduciary duties under Bermuda Law and (b) their obtaining sanction from the Bermuda Court of their decision by August 12 2002, the Joint Provisional Liquidators hereby approve the entry by the Company and GX Holdings into this Agreement and the other Transaction Documents to which the Company and/or GX Holdings are a party.

5.2 Exclusion of Personal Liability. The parties agree that the Joint Provisional Liquidators shall have no personal liability whatsoever arising howsoever under or in connection with this Agreement and/or the Transaction Documents.

5.3 The Actions of the Company and GX Holdings. It is acknowledged by the parties that (i) the Joint Provisional Liquidators have not given any authority to the Board of Directors to act on behalf of the Company, and that the Board of Directors is causing the Company to enter into this Agreement and the other Transaction Documents to which it is a party, solely in accordance with the authority conferred upon them by the Bermuda Court and in accordance with their authority derived from the Bankruptcy Case and (ii) the Joint Provisional Liquidators have not given any authority to the board of directors of GX Holdings to act on behalf of GX Holdings, and that the board of directors of GX Holdings is causing GX Holdings to enter into this Agreement and the other Transaction Documents to which it is a party, solely in accordance with the authority conferred upon them by the Bermuda Court and in accordance with their authority derived from the Bankruptcy Case.

5.4 Purpose of the Joint Provisional Liquidators as Parties. It is acknowledged that the Joint Provisional Liquidators are joined as parties to this Agreement for the purpose of the matters set out in this Article V only. In particular, but without limiting the generality of the foregoing, it is acknowledged and agreed by the parties hereto that:

(a) the Joint Provisional Liquidators provide no confirmation of any nature whatsoever in respect of the representations, warranties and covenants of the Company and the Subsidiaries set out in this Agreement; and

(b) the Joint Provisional Liquidators shall not, by reason of being party to this Agreement, submit to the jurisdiction (exclusive or otherwise) of the U.S. Bankruptcy Court.

5.5 Joint Provisional Liquidators. Subject to the fiduciary duties of the Joint Provisional Liquidators under Bermuda Law, the Joint Provisional Liquidators will take all actions necessary or appropriate to give effect to the transactions contemplated by this Agreement and the other Transaction Documents. Should the Joint Provisional Liquidators take any action or make any omission which causes the transactions contemplated by this Agreement and the other Transaction Documents not to be effected, and the Investors wish to challenge the Joint Provisional Liquidators' action or omission, then the Joint Provisional Liquidators will not object to the Investors making whatever submissions they consider to be appropriate to the Bermuda Court. Should the Joint Provisional Liquidators, acting pursuant to their fiduciary duties under Bermuda Law, consider that it is or may be appropriate to vary, modify or withdraw their consent in Section 5.1, then they will seek directions from the Bermuda Court so that the Court may determine whether it is appropriate for their approval to be varied, modified or withdrawn and they will give notice of the hearing of their application for directions to, *inter alia*, the Investors and the Company, as soon as reasonably practicable following the issue of their application and the Joint Provisional Liquidators will not object to the Investors making any submissions they consider to be appropriate to the Bermuda Court.

5.6 Governing Law; Submission to Jurisdiction. This Article V shall be governed by and construed, interpreted and enforced in accordance with and governed by the Laws of Bermuda, without giving effect to the principles of conflicts of Law thereof. The parties hereby agree that, (a) the Supreme Court of Bermuda shall retain exclusive jurisdiction to enforce the terms of this Article V and to decide any claims or disputes involving the Joint Provisional Liquidators that may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated herein, and (b) any and all claims, causes of action, suits and proceedings relating to the foregoing shall be filed and maintained only in the Supreme Court of Bermuda, and the parties hereby consent and submit to the exclusive jurisdiction of the Supreme Court of Bermuda for this purpose.

5.7 Entire Agreement. This Article V contains the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous arrangements or understandings with respect hereto.

5.8 Amendments. The terms and provisions of this Article V may be modified or amended, or any of the provisions hereof waived, temporarily or permanently, in a writing executed and delivered by the Joint Provisional Liquidators and the other parties. No waiver of any of the provisions of this Article V shall be deemed to be, or shall constitute, a waiver of any other provision hereof (whether or not similar). No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof. Any amendment of this Agreement under Section 8.6 will require the express consent of the Joint Provisional Liquidators.

5.9 Headings. The headings of the sections of this Article V have been inserted for convenience of reference only and shall not be deemed to be a part of this Agreement.

5.10 No Interpretation Against Drafter. This Article V is the product of negotiations among the parties hereto represented by counsel and any rules of construction

relating to interpretation against the drafter of an agreement shall not apply to this Article V and are expressly waived.

5.11 Defined Terms; Interpretations. The capitalized terms used but not defined in this Article V are used herein as defined in Article VIII of this Agreement.

## ARTICLE VI

### CONDITIONS

6.1 Conditions to Obligations of each Investor and the Company. The respective obligation of each Investor and the Company to consummate the transactions contemplated hereby are subject to the satisfaction or waiver by such Investor or the Company, as the case may be, at or prior to the Closing of each of the following conditions:

(a) No statute, rule or regulation or order, judgment or decree of any court or administrative agency or other Governmental Entity shall be in effect which prohibits the consummation of the transactions contemplated hereby or by any of the other Transaction Documents; provided, however, that except as otherwise provided in this Agreement, each of the parties shall have used, subject to Section 4.9, reasonable efforts to prevent the entry of any such injunction or other order and to appeal as promptly as possible any injunction or other order that may be entered; provided, further, that no party hereto can assert the failure of this condition to be satisfied if such failure resulted from such party's failure to satisfy the first proviso of this Section 6.1(a) or any other provision of this Agreement or any other Transaction Document;

(b) The material Regulatory Approvals required in connection with the consummation of the transactions contemplated by this Agreement and the other Transaction Documents, including those set forth on Schedule 2.9(e) shall have been obtained by a Final Order (or waived in whole or in part in a writing executed by the parties hereto, unless such a waiver is prohibited by Law) and all parties shall have complied with the conditions, if any, imposed by such Final Order, including the following shall have occurred: (i) the waiting period under the HSR Act relating to the consummation of the transactions contemplated by this Agreement and the Transaction Documents, shall have expired or been terminated and any other Competition Approval shall have been obtained; (ii) the FCC shall have issued a Final Order (or orders) granting the FCC Consents and as of the Closing Date such order (or orders) shall be in full force and effect and not have been reversed, stayed, enjoined, set aside or suspended; and (iii) the review and investigation under the Exon-Florio Amendment shall have been terminated and the President of the United States and relevant agencies of the US Government shall have taken no action authorized thereunder. Notwithstanding the foregoing, with respect to any such Regulatory Approvals, (A) neither Investor shall be required to accept or comply with any condition, qualification or other restriction imposed in connection with such Regulatory Approval that would constitute a Material Adverse Effect or have a material adverse effect on such Investor and neither Investor shall be obligated to effect the transactions contemplated by the Transaction Documents if such conditions are imposed, and (B) the Company shall not be required to accept or comply with any condition, qualification or other restriction imposed in connection with such Regulatory Approval that would have a Material Adverse Effect and the Company shall not be obligated to effect the transactions contemplated by the Transaction Documents if such conditions are imposed;

(c) The Third Party Consents set forth on Schedule 2.8(c) shall have been obtained; and

(d) Confirmation of the Bankruptcy Plan pursuant to the Confirmation Order of the U.S. Bankruptcy Court and the granting of the Sanction Order by the Bermuda Court.

6.2 Conditions to Obligations of the Investors. The obligation of each Investor to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of each Investor unless waived by such Investor at or prior to the Closing of each of the following conditions:

(a) The representations and warranties of the Company contained in this Agreement and each of the other Transaction Documents shall be true and correct in all respects (with respect to representations and warranties qualified or limited by materiality or Material Adverse Effect) or in all material respects (with respect to representations and warranties not so qualified or limited) when made and as of the Closing (except to the extent such representations and warranties are made as of a particular date, in which case such representations and warranties shall have been true and correct as of such date) unless, with respect to any failure of a representation or warranty contained in Section 2.4, 2.5, 2.7, 2.11, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18 or 2.22 to be true and correct as of the Closing Date, such failure results from events occurring or circumstances arising after the date hereof and all such failures, individually or in the aggregate, do not constitute a Material Adverse Effect. Since the date hereof, there has not occurred any Material Adverse Effect.

(b) The representations and warranties of the other Investor contained in this Agreement and each of the other Transaction Documents shall be true and correct in all respects (with respect to representations and warranties qualified or limited by materiality or Material Adverse Effect) or in all material respects (with respect to representations and warranties not so qualified or limited) when made and as of the Closing (except to the extent such representations and warranties are made as of a particular date, in which case such representations and warranties shall have been true and correct as of such date).

(c) The Company and the other Investor shall have performed, satisfied and complied in all material respects with each of their respective covenants and agreements set forth in this Agreement and each of the other Transaction Documents to be performed, satisfied and complied with on or after the date hereof and prior to or at the Closing.

(d) There shall be: (i) a December 31, 2002 Cash Balance of at least the Minimum Cash Balance and (ii) a December 31, 2002 Net Working Capital of at least the Minimum Net Working Capital; provided, that if the Shortfall Amount is less than or equal to \$25.0 million, then the conditions set forth in this Section 6.2(d) will be deemed to have been satisfied.

(e) The aggregate amount required to be paid or accrued in respect of Other Exit Costs shall not exceed (i) \$240.0 million plus (ii) an amount equal to the lesser of (A) the December 31, 2002 Cash Balance less the Minimum Cash Balance or (B) the December 31,

2002 Net Working Capital less the Minimum Net Working Capital; provided, that such amount shall not exceed \$25.0 million.

(f) The aggregate amount of all success fees required to be paid by the Company or its Subsidiaries to any legal, financial or other advisors, and any other similar success fees shall not exceed \$35.0 million in the aggregate in connection with the confirmation of the Bankruptcy Plan and the consummation of the transactions contemplated by the Agreement.

(g) The Company shall have delivered to each of the Investors (i) an officer's certificate executed by the Chief Executive Officer and the Chief Financial Officer of the Company, certifying as to the Company's compliance with the conditions set forth in Section 6.1 and in clauses (a) and (c) of this Section 6.2, and (ii) any other documents or information reasonably requested by an Investor to evidence the Company's compliance with its covenants and obligations and the other conditions under this Agreement.

(h) The bar date for any claim by any Governmental Entity for Taxes payable by the Company or any other Debtor (other than GT U.K. Ltd., SAC Peru Ltd and any other Subsidiaries of the Company that commence a Chapter 11 case after the date hereof) in respect of any period ending on or prior to the *Petition Date* shall have been fixed pursuant to applicable procedures in the Bankruptcy Case, and shall remain, no later than December 31, 2002. The bar date for all other claims against the Debtors (other than any Subsidiaries that commence a Chapter 11 case after the date hereof) shall have been fixed pursuant to applicable procedures in the Bankruptcy Case and such bar date shall occur no later than October 15, 2002. The bar dates (other than for Governmental Entities) for all other claims against GT U.K. Ltd., SAC Peru Ltd and the Subsidiaries of the Company that commence a Chapter 11 case after the date hereof shall occur no later than January 15, 2003. The bar dates for filing administrative claims (other than for payment of Professional Fees and fees and expenses of the Joint Provisional Liquidators) against the Debtors (other than any Subsidiaries of the Company that commence a Chapter 11 case after the date hereof) shall have been fixed pursuant to applicable procedures in the Bankruptcy Case, and such bar date shall be as agreed to by the Company and the Investors, but in any case no later than the date the December 31, 2002 Balance Sheet is delivered to the Investors. The Debtors and Joint Provisional Liquidators shall have delivered to the Investors on, or as soon as practicable after the bar date for filing administrative claims (but in any case within three Business Days thereof), a good faith estimate of all Professional Fees which have been incurred as of such bar date, and of the Professional Fees which are expected to be incurred through the Closing Date.

(i) The simultaneous completion of the transactions contemplated hereby by the other Investor.

6.3 Conditions to Obligation of the Company. The obligation of the Company to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction in the reasonable judgment of the Company unless waived by the Company at or prior to the Closing of each of the following conditions:

(a) Each of the representations and warranties of each Investor contained in this Agreement shall be true and correct in all respects (with respect to representations and warranties qualified or limited by materiality) or in all material respects (with respect to representations and warranties not so qualified or limited) when made and as of the Closing (except to the extent such representations and warranties are made as of a particular date, in which case such representations and warranties shall have been true and correct as of such date), except for failures to be true and correct which are not reasonably likely to have, individually or in the aggregate, a material adverse effect on the ability of such Investor to consummate the transactions contemplated hereby;

(b) Each Investor shall have performed, satisfied and complied in all material respects with all of its covenants and agreements set forth in this Agreement to be performed, satisfied and complied with on or prior to the Closing Date; and

(c) Each Investor shall have delivered to the Company an officer's certificate certifying as to such Investor's compliance with the conditions set forth in clauses (a) and (b) of this Section 6.3.

#### 6.4 Special Waiver and Notice.

(a) If the Company fails due to any event, circumstance, condition, fact, effect, or other matter beyond its reasonable control to adhere to any deadline by more than seven Business Days in the timetable for the Restructuring set forth on Exhibit C (such failure, a "Deadline Failure"), then the Company shall be entitled to send a written notice to each of the Investors informing them of such failure and providing them with sufficient detail supporting and evidencing such failure (such notice being referred to as a "Special Notice"). The Investors shall have 15 Business Days after receipt of the Special Notice to evaluate the Special Notice and to provide a waiver (which may be conditional or absolute) of the subject failure (such notice being referred to as a "Waiver Notice"). The Company shall provide whatever assistance the Investors may reasonably request in order to evaluate the Special Notice. If a Waiver Notice is not provided to the Company within the time period specified in the second preceding sentence, then the Deadline Failure will not give rise to the failure of the condition to the obligations of the Investors set forth in Section 6.2(c).

(b) If the Investors provide the Company with the Waiver Notice, then the relevant deadline triggering the Deadline Failure shall be deemed to be modified as set forth in the Waiver Notice and shall thereafter be used in determining whether the condition to the Investors' obligations to consummate the transactions contemplated by this Agreement set forth in Section 6.2(c) has been satisfied. To the extent there are deadlines that are dependant upon, and follow the one which is the subject of the Waiver Notice, they will also be deemed to be modified to the minimum extent (plus three Business Days) required by the bankruptcy Laws.

(c) For the avoidance of doubt, the Company shall not be entitled to send a Special Notice to the Investors if (i) the relevant Deadline Failure results or arises from any event, circumstance, condition, fact, effect, or other matter within the reasonable control of the Company or (ii) the Company does not provide whatever assistance the Investors reasonably request in their evaluation of the Special Notice.