

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	Case Nos. 02-15749
ASIA GLOBAL CROSSING LTD., <u>et al.</u> ,	:	through 02-15750 (SMB)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**JOINT LIQUIDATING CHAPTER 11 PLAN OF REORGANIZATION OF
ASIA GLOBAL CROSSING LTD. AND
ASIA GLOBAL CROSSING DEVELOPMENT CO.**

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INTRODUCTION

Pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, Asia Global Crossing Ltd., a Bermuda corporation, and Asia Global Crossing Development Co., a Delaware corporation, debtors and debtors-in-possession in the Chapter 11 Cases (as defined herein), joint “proponents of the plan” within the meaning of section 1129 of the Bankruptcy Code (as defined herein), hereby respectfully propose, pursuant to section 1121(a) of the Bankruptcy Code, the following joint liquidating plan of reorganization, which contemplates the liquidation of the Debtors (as defined herein) and the resolution of the outstanding claims against and equity interests in the Debtors. Reference is made to the Disclosure Statement (as defined herein), distributed contemporaneously herewith, for a discussion of the Debtors’ history, business, properties, and operations, a summary and analysis of the Plan (as defined herein), and certain related matters.

ARTICLE I.

DEFINED TERMS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Rules of Interpretation.

For purposes of the Plan: (a) whenever from the context it is appropriate, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (c) any reference in the Plan to an existing document or exhibit Filed, or to be Filed, shall mean such document or exhibit, as it may have been or may be amended, modified, supplemented or restated; (d) unless otherwise specified, all references in the Plan to Sections, Articles and Exhibits are references to Sections, Articles and Exhibits of or to the Plan; (e) the words “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and comparable terms refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) the words “**include**”, “**includes**” and “**including**” shall not be limiting and shall be deemed to be followed by “**without limitation**” whether or not they are, in fact, followed by such words or words of like import; (g) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any capitalized term used in the Plan that is not defined herein but that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to such term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; (j) in the event of any inconsistency between the terms of the Plan and the terms of the Disclosure Statement, the terms of the Plan shall control; and (k) in the event of any inconsistency between the terms of the Plan and the terms of the Sale Agreement, the terms of the Sale Agreement shall control.

B. Computation of Time.

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

C. Defined Terms.

When used in capitalized form in the Plan, the following terms shall have the respective meanings assigned to such terms below:

“Accrued Professional Compensation” means, with respect to a particular point in time: (a) all accrued fees (including success fees) for services rendered by all Professionals in the Chapter 11 Cases that the Bankruptcy Court has not yet awarded as compensation, either pursuant to an interim order or a Final Order, but which have been earned under the respective terms of engagement of such Professionals; and (b) all expenses incurred by all Professionals in the Chapter 11 Cases that the Bankruptcy Court has not awarded as reimbursement, either pursuant to an interim order or a Final Order, but which have been earned under the respective terms of engagement of such Professionals.

“Ad Hoc Committee” means the informal committee of holders of the Senior Notes organized prior to the Petition Date.

“Administrative Claim” means a Claim for payment of an administrative expense of a kind specified in Bankruptcy Code section 503(b) and entitled to priority in payment under Bankruptcy Code sections 507(a)(1), 507(b) or 1114(e)(2), including: (a) the actual and necessary costs and expenses incurred after the Petition Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries or commissions for services and payments for goods and other services and leased premises); (b) any indebtedness or obligations incurred or assumed by the Debtors in the ordinary course of business in connection with the conduct of its business; (c) any Professional Fees, whether fixed before or after the Effective Date; (d) all fees and charges assessed against the Estates under Chapter 123 of title 28 of the United States Code, 28 U.S.C. §§ 1911-30; and (e) obligations designated as Allowed Administrative Claims pursuant to an order of the Bankruptcy Court.

“Administrative Claims Reserve” means the reserve maintained by Liquidating Trustee to pay Administrative Claims, Priority Tax Claims, Other Priority Claims and Secured Claims that become Allowed Claims after the Effective Date.

“AGCDC” means Asia Global Crossing Development Co., a Delaware corporation, and a debtor and debtor-in-possession in the Chapter 11 Cases.

“Allowed” means, with reference to any Claim, except as otherwise provided herein:

(a) a Claim that has been scheduled by a Debtor in its Schedules as other than disputed, contingent or unliquidated and as to which the Debtor, the Liquidating Trustee or any other party in interest has not Filed an objection on or before the Claims Objection Bar Date;

(b) a Claim that either is not a Disputed Claim or has been allowed by a Final Order;

(c) a Claim that is allowed (i) in any stipulation with a Debtor concerning the amount and nature of such Claim executed prior to the Confirmation Date and approved by the Bankruptcy Court upon proper notice to the Debtor and other parties in interest; (ii) in any stipulation with the Liquidating Trustee concerning the amount and nature of such Claim executed on or after the Confirmation Date and, to the extent necessary, approved by the Bankruptcy Court; or (iii) in any contract, instrument, indenture or other agreement entered into or assumed in connection with the Plan;

(d) a Claim relating to a rejected executory contract or unexpired lease that (i) is not a Disputed Claim or (ii) has been allowed by a Final Order, in either case only if a proof of Claim has been Filed by the Rejection Claims Bar Date or has otherwise been deemed timely Filed under applicable law; or

(e) a Claim that is allowed pursuant to the terms of the Plan; *provided, however*, unless otherwise specified herein or by order of the Bankruptcy Court, the term “Allowed Claim” shall not, for any purpose under the Plan, include interest, penalties, premium or late charges on such Claim from and after the Petition Date.

“Allowed . . . Claim” means an Allowed Claim in the particular Class described.

“Allowed Senior Note Claim” means the aggregate amount of the Senior Note Claims Allowed under Section III.B (AGCL Class 3 – General Unsecured Claims (Impaired)) of the Plan.

“Approval Order” means that certain order of the Court, dated January 29, 2003 and entered in the docket of the Chapter 11 Cases, authorizing and approving, among other things, AGCL’s execution of the Sale Agreement and the consummation of the transactions contemplated thereunder.

“Asia Global” or “AGCL” means Asia Global Crossing Ltd., a Bermuda corporation, a debtor and debtor-in-possession in the Chapter 11 Cases.

“Asia Netcom” means Asia Netcom Corporation Limited, a Bermuda corporation.

“Asia Netcom Transaction” means the transactions contemplated by the Sale Agreement.

“Available Cash” means (a) with respect to Distributions to be made on the Distribution Date, all Cash held by the Liquidating Trustee for the benefit of the Estate of AGCL or AGCDC, as the context requires, as of the date ten (10) Business Days prior to the date of the initial Distribution Date, other than Cash to be distributed on the Distribution Date to holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims and Allowed Secured Claims that became Allowed Claims on or before the Effective Date, and (b) with respect to Distributions to be made on any Quarterly Distribution Date, all Cash held by

the Liquidating Trustee as of the date ten (10) Business Days prior to the date of any Quarterly Distribution Date, other than, in each case, Restricted Cash.

“Avoidance Actions” means any and all actions that are Filed or that may be Filed pursuant to the provisions of Bankruptcy Code sections 502(d), 542, 544, 545, 547, 548, 549, 550, 551 and 553, any actions based on applicable nonbankruptcy law that may be incorporated or brought under the foregoing sections of the Bankruptcy Code, or any other similar actions or proceedings filed to recover property for or on behalf of the Estates or to avoid a lien or transfer.

“Ballots” mean ballots accompanying the Disclosure Statement upon which holders of Claims in an Impaired Class shall indicate their acceptance or rejection of the Plan in accordance with the Plan and the Voting Instructions.

“Bankruptcy Code” means title I of the Bankruptcy Reform Act of 1978, as amended from time to time, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1330 and applicable portions of titles 18 and 28 of the United States Code.

“Bankruptcy Court” means the United States Bankruptcy Court for the Southern District of New York or such other court as may have jurisdiction over the Chapter 11 Cases.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended from time to time, as applicable to the Chapter 11 Cases, promulgated under 28 U.S.C. § 2075 and the General, Local and Chamber Rules of the Bankruptcy Court.

“Bar Date” means the last date for timely filing of proofs of Claim relating to any Claim, as established by this Plan or an order of the Bankruptcy Court, including the Bar Date Order and the Confirmation Order.

“Bar Date Order” means the order of the Bankruptcy Court setting procedures and a deadline of February 28, 2003 for filing proofs of Claim in the Chapter 11 Case.

“Beneficial Holder” or **“Beneficial Owner”** means the Person or Entity holding the beneficial interest in a Claim or Equity Interest.

“Beneficial Interest” means a beneficial interest in the Liquidating Trust.

“Beneficiaries” means the holders of Allowed Claims having an interest in the Liquidating Trust.

“Bermuda Court” means the Supreme Court of Bermuda.

“Bermuda Proceedings” means the winding up proceedings initiated by Asia Global in the Bermuda Court on November 18, 2002, as Case No. 464 of 2002.

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

“Cases” or **“Chapter 11 Cases”** means the above-captioned chapter 11 cases commenced on the Petition Date, styled In re Asia Global Crossing, Ltd., et al., Case Nos. 02-15749 through 02-15750 (SMB) and currently pending before the Bankruptcy Court.

“Cash” means legal tender of the United States of America and equivalents thereof.

“Cash Investment Yield” means the net yield earned by the Liquidating Trust from the investment of Cash held pending distribution in accordance with the provisions of the Plan and the Liquidating Trust Agreement.

“Causes of Action” mean all of the Debtors’ actions, causes of action, choses in action, liabilities, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims, whether known or unknown, reduced to judgment or not reduced to judgment, liquidated or unliquidated, contingent or non-contingent, matured or unmatured, disputed or undisputed, secured or unsecured, assertable directly or derivatively, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date, including the Avoidance Actions.

“Claim” means a “claim” against the Debtor, as defined in Bankruptcy Code section 101(5), whether or not asserted.

“Claim Holder” or **“Claimant”** means the holder of a Claim.

“Claims Objection Bar Date” means, for all Claims, other than Administrative Claims, the latest of: (a) 120 days after the Effective Date; (b) 90 days after the Filing of a proof of Claim for such Claim; (c) 60 days after the conclusion of an arbitration, mediation or other alternative dispute resolution process in respect of a Claim as to which no objection was Filed prior to the commencement of such process; and (d) such other period of limitation as may be specifically fixed by this Plan, the Confirmation Order, the Bankruptcy Rules or a Final Order for objecting to such Claim.

“Class” means a category of Claims or Equity Interests described in Article III of the Plan.

“Collateral” means any property or interest in property of the Debtor or its Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable law.

“Committee” means the official committee of unsecured creditors appointed by the United States Trustee in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code, including its official members and its *ex officio* members, if any.

“Confirmation” means the entry of the Confirmation Order, subject to all conditions specified in Section IX.A. of the Plan having been (i) satisfied or (ii) waived pursuant to Section IX.C.

“Confirmation Date” means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

“Confirmation Hearing” means the hearing held by the Bankruptcy Court pursuant to Bankruptcy Code section 1128(a) to consider Confirmation of the Plan in accordance with Bankruptcy Code section 1129, as such hearing may be adjourned or continued from time to time.

“Confirmation Hearing Date” means the date on which the Confirmation Hearing first is commenced.

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

“Consummation” means the occurrence of the Effective Date.

“Creditor” means the holder of a Claim against any Debtor or any Estate.

“Cure” means the Distribution of Cash, or such other property as may be agreed upon by the parties and/or ordered by the Bankruptcy Court, with respect to the assumption of an executory contract or unexpired lease, pursuant to Bankruptcy Code section 365(b), in an amount equal to all accrued, due and unpaid monetary obligations, without interest, or such other amount as may be agreed upon by the parties or ordered by the Bankruptcy Court, under such executory contract or unexpired lease, to the extent such obligations are enforceable under the Bankruptcy Code and applicable non-bankruptcy law.

“Debt Securities” means, collectively, the Senior Notes, the Senior Note Indenture and any other note, bond, indenture or other instrument, agreement or document evidencing or creating any indebtedness or obligation of a Debtor.

“Debtors” means, collectively, Asia Global and AGCDC, as debtors and debtors-in-possession in the Chapter 11 Case.

“Disallowed Claim” means (a) a Claim, or any portion thereof, that has been disallowed by a Final Order, (b) a Claim that is Scheduled at zero or as contingent, disputed, or unliquidated and as to which no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or other applicable bankruptcy law, or (c) a Claim that has not been Scheduled and as to which no proof of claim has been timely filed or deemed timely filed with the Bankruptcy Court pursuant to either the Bankruptcy Code or any Final Order of the Bankruptcy Court or other applicable bankruptcy law.

“Disclosure Statement” means the written disclosure statement (including all exhibits and schedules thereto) that relates to the Plan, as the same may be amended, supplemented, revised or modified from time to time, as approved by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order.

“Disclosure Statement Approval Order” means the Final Order approving, among other things, the adequacy of the Disclosure Statement pursuant to Bankruptcy Code section 1125.

“Disputed . . . Claim” means a Claim, or any portion thereof, that is neither an Allowed Claim nor a Disallowed Claim, and in relation to a Class, a Disputed Claim in the particular Class described.

“Disputed Claim Amount” means the lesser of (a) the liquidated amount set forth in the proof of claim relating to a Disputed Claim, (b) the amount estimated by the Bankruptcy Court for purposes of Distributions in respect of such Disputed Claim in accordance with 502(c) of the Bankruptcy Code pursuant to Section VIII.C hereof, and (c) the amount of such Disputed Claim Allowed by the Bankruptcy Court pursuant to section 502 of the Bankruptcy Code, or zero, if such Disputed Claim is disallowed in its entirety by the Bankruptcy Court pursuant to such section, in either case, regardless of whether the order or judgment allowing or disallowing such Claim has become a Final Order; *provided, however*, that in the event that a Claim has been disallowed, but the order of disallowance has not yet become a Final Order, the Bankruptcy Court may require the Liquidating Trustee to reserve, and hold in trust for the benefit of each holder of such Claim, Cash in an amount equal to the Ratable Proportion of Distributions which the Bankruptcy Court, in its discretion, determines will protect the rights of such holder under all of the facts and circumstances relating to the order of disallowance and the appeal of such holder from such order.

“Disputed Claims Reserve” means the segregated, interest-bearing account established and maintained by the Liquidating Trustee pursuant to Section VIII.F.1 hereof for the payment of Disputed Claims that become Allowed Claims after the Effective Date, which reserve shall be held in trust for the benefit of the holders of Disputed Claims.

“Distribution” means the distributions to be made in accordance with the Plan of, as the case may be: (a) Cash or (b) any other consideration distributed to holders of Allowed Claims under the terms and provisions of the Plan.

“Distribution Date” means the date, occurring as soon as practicable after the Effective Date, on which the initial Distribution from the Liquidating Trust is made to holders of Allowed Claims.

“Distribution Record Date” means the record date for the purpose of determining holders of Allowed Claims entitled to receive Distributions under the Plan on account of Allowed Claims, which date shall be the Confirmation Date.

“Effective Date” means the date selected by the Plan Proponents that is on a Business Day after the Confirmation Date on which (a) all conditions specified in both Section IX.A and

IX.B of the Plan have been (i) satisfied or (ii) waived pursuant to Section IX.C of the Plan and (b) no stay of the Confirmation Order is in effect.

“Entity” means an “entity,” as defined in section 101(15) of the Bankruptcy Code.

“Equity Interest” means, with respect to each Debtor, as of the Petition Date, any capital stock or other ownership interest in the Debtor, whether or not transferable, and any option, call, warrant or right to purchase, sell or subscribe for an ownership interest or other equity security in the Debtor, and any redemption, conversion, exchange, voting, participation, dividend rights, and liquidation preferences relating to such capital stock or other ownership interest.

“Estate” means the estate of AGCL or AGCDC, as the case may be, created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

“File” or “Filed” means file or filed with the clerk of the Bankruptcy Court in the Chapter 11 Cases.

“Final Order” means an order of the Bankruptcy Court (x) as to which the time to appeal, petition for certiorari, or move for reargument, rehearing or new trial has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument, rehearing or new trial shall then be pending; (y) as to which any right to appeal, petition for certiorari, reargue, rehear or retry shall have been waived in writing; or (z) in the event that an appeal, writ of certiorari, reargument, rehearing or new trial has been sought, as to which (a) such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order is appealed, (b) certiorari has been denied as to such order, or (c) reargument or rehearing or new trial from such order shall have been denied, and the time to take any further appeal, petition for certiorari or move for reargument, rehearing or new trial shall have expired without such actions having been taken.

“General Unsecured Claim” means any Claim, including any Senior Note Claim, Rejection Claim and Trade Claim that is not a Secured Claim, an Administrative Claim, an Intercompany Claim, an Other Priority Claim or a Priority Tax Claim.

“Impaired Class” means a Class that is impaired within the meaning of section 1124 of the Bankruptcy Code.

“Indemnified Plan Committee Parties” shall have the meaning assigned to such term in Section V.G.5 of the Plan.

“Indenture Trustee” means The Bank of New York, successor trustee under the Senior Note Indenture.

“Indenture Trustee Charging Lien” means any lien or other priority in payment arising prior to the Effective Date to which the Indenture Trustee is entitled pursuant to the Senior Note Indenture against distributions to be made to holders of Allowed Senior Note Claims for

payment of any Indenture Trustee Fees due the Indenture Trustee under the Senior Note Indenture.

“Indenture Trustee Fees” means the reasonable fees and expenses incurred by the Indenture Trustee from and after the Petition Date through the Effective Date in connection with the Chapter 11 Cases, including the reasonable fees and expenses of its counsel, in accordance with the terms of the Senior Note Indenture.

“Intercompany Claim” means any Claim against a Debtor by an Entity, other than PCL, that is an Affiliate of such Debtor as of the Effective Date.

“Internal Revenue Code” means title 26 of the United States Code, as amended from time to time.

“IRS” means the Internal Revenue Service.

“JPLs” means the persons from time to time serving as joint provisional liquidators in the Bermuda Proceedings, which persons currently are Jamie Smith of Deloitte & Touche in London and Mark W.R. Smith of Deloitte & Touche in Bermuda, and includes any person or persons who may serve as permanent liquidator in the Bermuda Proceedings prior to AGCL’s dissolution under Bermuda law.

“JPL Fee and Expense Claim” means the fees and expenses of the JPLs and the professionals retained by the JPLs that are incurred in the course of representing AGCL in the Bermuda Proceedings and in the Chapter 11 Cases, as approved by order of the Bermuda Court.

“JPL Fee and Expense Claim Reserve” means that certain escrow account established under Bermuda law and subject to the exclusive jurisdiction of the Bermuda Court to hold the funds reserved to satisfy the JPL Fee and Expense Claim in accordance with section V.S hereof.

“Legere Secured Claim” means the Secured Claim, if any, alleged by John J. Legere against AGCDC in a proof of claim Filed on February 28, 2003.

“Liquidating Trust” means the liquidating trust established under Section V.E of the Plan.

“Liquidating Trust Agreement” means the agreement governing the Liquidating Trust, dated as of the Effective Date, substantially in the form set forth in the Plan Supplement, specifying the rights, duties and responsibilities of and to be performed by the Liquidating Trustee under the Plan and the Liquidating Trust Agreement.

“Liquidating Trust Assets” means all Cash and any assets, including Causes of Action, held by the Estate of AGCL or AGCDC on the Effective Date.

“Liquidating Trustee” means the entity designated by the Committee prior to the Confirmation Date, which shall serve as the liquidating trustee of the Liquidating Trust pursuant to Section V.F of the Plan and the Liquidating Trust Agreement, and any successor thereto.

“Liquidating Trust Professionals” means the agents, financial advisors, attorneys, consultants, independent contractors, representatives and other professionals retained by the Liquidating Trustee to assist the Liquidating Trustee in the performance of his duties and responsibilities, and the exercise of his rights, under the Plan and the Liquidating Trust Agreement.

“Master Ballots” means the forms accompanying the Disclosure Statement upon which the Nominees of the Beneficial Holders of the Senior Notes shall indicate acceptances or rejections of the Plan by the Beneficial Holders in accordance with the Voting Instructions.

“Milligan-Whyte Secured Claim” means the Secured Claim of Milligan-Whyte & Smith, which, for purposes of this Plan, shall be deemed an Allowed Secured Claim against AGCL in the amount of \$51,928.92.

“Nominee” means any broker, dealer, commercial bank, trust company, savings and loan association or other nominee in whose name the Securities of a Beneficial Holder are registered or held of record.

“Official Bankruptcy Forms” means the Official Bankruptcy Forms, prescribed by the Judicial Conference of the United States, the observance and use of which is required pursuant to Bankruptcy Rule 9009, as such forms may be amended, revised or supplemented from time to time.

“Operating Reserve” means the reserve account to be established and maintained by the Liquidating Trustee into which the Liquidating Trustee shall from time to time deposit Cash (in such amounts and at such times as directed by the Plan Committee) to fund, among other things, the expenses of the Liquidating Trustee, as set forth more fully in the Liquidating Trust Agreement. Any excess Cash in the Operating Reserve shall be treated by the Liquidating Trustee as Available Cash.

“Other Priority Claim” means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Claim.

“PCL” means, collectively, Pacific Crossing Ltd., PC Landing Corp., Pacific Crossing U.K. Ltd., SCS Bermuda Ltd. and PCL Japan Ltd.

“Person” means a “person,” as defined in section 101(41) of the Bankruptcy Code.

“Petition Date” means November 17, 2002.

“Plan” means this joint chapter 11 liquidating plan of reorganization, including all exhibits and schedules annexed hereto and the documents contained in the Plan Supplement, either in its present form or as it may be altered, amended, modified, revised or supplemented from time to time.

“Plan Committee” means the Committee, as reconstituted after the Effective Date for the purpose of consulting with the Liquidating Trustee with respect to actions and decisions affecting the Liquidating Trust, as set forth in Section V.G of the Plan.

“Plan Proponents” means the Debtors.

“Plan Supplement” means a separate volume containing the forms of documents specified in Section XIII.K of the Plan to be Filed with the Bankruptcy Court in accordance with the provisions of such Section, as such forms may be revised, amended, modified or supplemented from time to time.

“Precluded Claims” shall have the meaning ascribed to such term in Section X.E of this Plan.

“Priority Tax Claim” means a Claim of a government unit of the kind specified in, and entitled to priority under, sections 502(i) and 507(a)(8) of the Bankruptcy Code.

“Professional” means a Person or Entity (a) employed pursuant to a Final Order in accordance with sections 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant to sections 327, 328, 330 or 331 of the Bankruptcy Code, for whom or for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to section 503(b) of the Bankruptcy Code or (b) for whom or for which compensation and reimbursement has been allowed by the Bankruptcy Court or is sought pursuant to section 503(b)(4) of the Bankruptcy Code.

“Professional Escrow Account” means an interest-bearing savings or money market account maintained by the Liquidating Trustee with funds deposited solely for the purpose of paying Professional Fees.

“Professional Fees” means the fees for professional services rendered and expenses incurred in connection with such services by Professionals on and after the Petition Date and prior to and including the Effective Date.

“Quarterly Distribution Date” means the first Business Day of each calendar quarter following the Effective Date on which there exists Available Cash for distribution under the Plan.

“Ratable Proportion” means, with reference to any Distribution on account of any Allowed Claim in any Class or the allocation of beneficial interests in the Liquidating Trust, the ratio (expressed as a percentage) that the amount of such Allowed Claim bears to the aggregate amount of Allowed Claims of the same Class plus all Disputed Claims in such Class.

“Rejection Claims” means any Claim arising from the rejection or deemed rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

“Rejection Claims Bar Date” means the date prescribed in Section VI.C of the Plan as the last day for Filing proofs of Claim with respect to Rejection Claims, if any.

“Reserve” means the Administrative Claims Reserve, the Operating Reserve, the Disputed Claims Reserve, the Unclaimed Distributions Reserve or any other reserve, account or escrow, as the case may be, which are to be established by the Liquidating Trustee pursuant to the provisions of Sections V.M, V.N and VIII.F of the Plan.

“Restricted Cash” means the Cash segregated (whether physically or merely on the books and records of AGCL or the Liquidating Trustee) by the Liquidating Trustee to fund the Reserves.

“Sale Agreement” means that certain Share and Asset Purchase Agreement, dated as of November 17, 2002, between AGCL and Asia Netcom.

“Schedules” mean the schedules of assets and liabilities, schedules of executory contracts, and the statements of financial affairs Filed by the Debtor pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended from time to time through the Confirmation Date in accordance with Bankruptcy Rule 1009.

“Scheme of Arrangement” means the scheme of arrangement, if any, that may be implemented in connection with the Bermuda Proceedings for Asia Global, as amended from time to time.

“Section 510(b) Claims” means any and all Claims against any of the Debtors, whether or not the subject of an existing lawsuit, arising from rescission of a purchase or sale of a Security of any of the Debtors or an affiliate of any of the Debtors, for damages arising from the purchase or sale of any such Security, or for reimbursement or contribution allowed under section 502 of the Bankruptcy Code on account of any such Claim, which Claim is subject to subordination under section 510(b) of the Bankruptcy Code, including (i) Claims based on allegations that the Debtors made false and misleading statements and engaged in other deceptive acts in connection with the sale of Securities and (ii) the Claims asserted against AGCL in the Securities Litigation.

“Secured Claim” means: (a) a Claim (other than a Claim in any way arising from or relating to a Claim of a lessor for damages resulting from the termination of a lease of real property) that is secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected and enforceable under applicable law or by reason of a Final Order, or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim Holder’s interest in the Debtor’s or the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) a Claim Allowed under the Plan as a Secured Claim.

“Securities Litigation” means those certain civil actions pending in the United States District Court for the Central District of California captioned, respectively, (i) *Martin Aircraft Tool Co., et al. v. Pacific Capital Group, Inc., et al.*, Civil No. 02-02470, (ii) *David W. Tucker etc. v. Pacific Capital Group Inc., et al.*, Civil No. 02-7910, (iii) *Jon L. Petit v. Gary Winnick, et al.*, Civil No. 02-7801, (iv) *Michael A. Bernstein Profit Sharing Plan v. Gary Winnick, et al.*,

Civil No. 02-8630 and (v) *Jakoub Kalim, etc. v. Pacific Capital Corp., Inc., et al.*, Civil No. 02-8914.

“Security” means a “security,” as defined in section 101(49) of the Bankruptcy Code.

“Senior Note Claims” means, collectively, all General Unsecured Claims arising from and based upon the Senior Notes.

“Senior Note Indenture” means the Indenture dated as of October 12, 2000, among Asia Global, certain guarantors party thereto, and United States Trust Company of New York, as trustee, as amended or supplemented from time to time.

“Senior Notes” means those certain 13.375% Senior Notes due 2010 in the original principal amount of \$408,000,000 issued by Asia Global pursuant to the Senior Note Indenture.

“Tax” or **“Taxes”** means all income, gross receipts, sales, use, transfer, payroll, employment, franchise, profits, property, excise or other similar taxes, estimated import duties, fees, stamp taxes and duties, value added taxes, assessments or charges of any kind whatsoever (whether payable directly or by withholding), together with any interest and any penalties, additions to tax or additional amounts imposed on any of the Debtors or the Liquidating Trust by any taxing authority with respect thereto.

“Unclaimed Distributions Reserve” means the segregated, interest-bearing account established and maintained by the Liquidating Trustee pursuant to Section VIII.E of this Plan.

“Unimpaired Class” means a Class that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

“United States Trustee” means the United States Trustee appointed under 28 U.S.C. § 591 to serve in the Southern District of New York.

“Voting Instructions” means the instructions for voting on the Plan contained in (a) Section II.C (*“Voting Procedures, Ballots and Voting Deadline”*) and Article X (*“Solicitation and Voting”*) of the Disclosure Statement, (b) the Ballots and the Master Ballots, and (c) the Disclosure Statement Approval Order.

ARTICLE II.

PAYMENT OF ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

A. Administrative Claims.

On, or as soon as reasonably practicable after (i) the Distribution Date, if such Administrative Claim is an Allowed Administrative Claim as of the Effective Date, or (ii) the first Quarterly Distribution Date after the date on which such Administrative Claim becomes an Allowed Administrative Claim, each holder (other than a Professional) of an Allowed Administrative Claim against any Debtor shall receive, at the sole option of the Liquidating

Trustee, in full settlement, satisfaction and release of, and in exchange for, such Allowed Administrative Claim, (a) Cash in an amount equal to the unpaid amount of such Allowed Administrative Claim or (b) such other less favorable treatment as may be agreed upon in writing by such holder and the Liquidating Trustee.

B. Professional Fees.

Notwithstanding any other provision of this Plan concerning Administrative Claims, any Professional seeking an award by the Bankruptcy Court of an Allowed Administrative Claim on account of Professional Fees incurred through and including the Effective Date under sections 328, 330, 331 or 503(b) of the Bankruptcy Code shall File a final application for allowance of compensation for services rendered and reimbursement of expenses incurred through and including the Effective Date no later than thirty (30) days after the Effective Date. To the extent that such an award is granted by the Bankruptcy Court, on, or as soon as reasonably practicable after (i) the Distribution Date, if such Administrative Claim is an Allowed Administrative Claim as of the Effective Date, or (ii) the date on which such Administrative Claim becomes an Allowed Administrative Claim, each holder of an Allowed Administrative Claim for Professional Fees shall receive, in full settlement, satisfaction and release of, and in exchange for, such Allowed Administrative Claim, Cash in an amount equal to the unpaid amount of such Allowed Administrative Claim. In consideration of the Debtors' need to consult with a creditor representative prior to the formation of the Committee, the reasonable fees and the actual, necessary expenses of counsel to the Ad Hoc Committee incurred on and after the Petition Date through and including the date immediately prior to the formation of the Committee shall be entitled to treatment on a "substantial contribution" basis within the meaning of sections 503(b)(3)(D) and 503(b)(4) of the Bankruptcy Code, subject to final allowance of the amount of such fees and expenses in accordance with the first sentence of this paragraph.

On the Effective Date, AGCL shall deposit in the Professional Escrow Account all Accrued Professional Compensation, estimated in good faith by AGCL and the Committee as of the Effective Date, pending entry of a Final Order on each such Professional's fee application. To facilitate the estimation of Accrued Professional Compensation contemplated by the immediately preceding sentence, each Professional who has accumulated Accrued Professional Compensation as of the Confirmation Date shall deliver to the Plan Proponents, within five (5) Business Days of the Confirmation Date, an estimate, prepared in good faith and with reasonable specificity, of its actual Accrued Professional Compensation as of the Confirmation Date and its projected Accrued Professional Compensation as of the Effective Date.

The Debtors (prior to the Effective Date) or the Liquidating Trustee (on and after the Effective Date) are authorized to pay compensation for services rendered and reimbursement of expenses incurred after the Confirmation Date and until the Effective Date by the Plan Proponents' professionals in accordance with the procedures approved by the Bankruptcy Court and in effect prior to the Confirmation Date in the ordinary course and without the need for further Bankruptcy Court approval.

The JPL Fee and Expense Claims for the period through and including the Effective Date shall be paid in accordance with Section V.S the Plan.

C. Priority Tax Claims.

On, or as soon as reasonably practicable after (i) the Distribution Date, if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date, or (ii) the first Quarterly Distribution Date after the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each holder of an Allowed Priority Tax Claim against any Debtor shall receive, at the sole option of the Liquidating Trustee, in full settlement, satisfaction and release of, and in exchange for, such Allowed Priority Tax Claim, (a) Cash in an amount equal to the unpaid amount of such Allowed Priority Tax Claim or (b) such other less favorable treatment as may be agreed upon in writing by such holder and the relevant Debtor; *provided, however*, that no Claimant shall be entitled to any payments on account of any pre-Effective Date interest accrued on, or penalty arising on or after the Petition Date with respect to or in connection with, such Allowed Priority Tax Claim.

D. Bar Dates For Administrative Claims and Professional Fees.

1. Administrative Claims.

Except as otherwise provided in the Plan, unless previously Filed, requests for payment of Administrative Claims (except for Professional Fees) must be Filed no later than thirty (30) days after the Effective Date. Any holder of an Administrative Claim that is required to File a request for payment of such Administrative Claim and that does not File a request by the aforesaid bar date shall be forever barred from asserting such Administrative Claim against the Debtors or their respective property, and such Administrative Claim shall be deemed discharged and released as of the Effective Date. Objections to such a request must be Filed and served on the requesting party by the later of (i) sixty (60) days after the Effective Date or (ii) thirty (30) days after the Filing of the applicable request for payment of Administrative Claim. Unless the Liquidating Trustee or another party in interest objects to a request for payment of an Administrative Claim within such time period, such Administrative Claim shall be deemed allowed in the amount requested. In the event that the Liquidating Trustee objects to a request for payment of an Administrative Claim, the Bankruptcy Court shall determine the Allowed amount of such Administrative Claim. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim that is paid or payable by the Debtor in the ordinary course of business.

2. Professional Fees and Committee Member Expenses.

Any Person or Entity seeking (i) a final allowance of Professional Fees in relation to the Chapter 11 Cases pursuant to sections 327, 328, 330, 331 or 503(b) of the Bankruptcy Code or (ii) reimbursement of expenses incurred as a member of the Committee shall File and serve an application for final allowance no later than thirty (30) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Any Professional, Person or Entity who fails to File such an application by such date forever shall be barred from seeking and obtaining an allowance of Professional Fees and/or expenses under the Bankruptcy Code. Objections to applications for Professional Fees and reimbursement of expenses incurred by a member of the Committee must be served on respective counsel for the Liquidating Trustee and the requesting Professional, Person or Entity no later than thirty (30) days after the date on which the applicable application

was Filed. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Bankruptcy Court, the Allowed amounts of such Professional Fees and reimbursement of expenses shall be determined by the Bankruptcy Court and paid in accordance with the provisions of this Section II.B.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

A. Summary.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests that are required to be designated in classes pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. Classification of Claims and Equity Interests in this Plan is for all purposes, including voting, confirmation and distribution pursuant to the Plan.

A Claim or Equity Interest shall be deemed classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and shall be deemed classified in a different Class only to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class.

A Claim or Equity Interest is placed in a particular Class only to the extent that such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled prior to the Effective Date. Notwithstanding any Distribution provided for in the Plan, no Distribution on account of any Claim or Equity Interest is required or permitted unless and until such Claim or Equity Interest becomes an Allowed Claim or Equity Interest, as the case may be, which may not occur for any Claim or Equity Interest, if at all, until after the Effective Date.

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims of the kinds specified in sections 507(a)(1) and 507(a)(8) of the Bankruptcy Code have not been classified, and their treatment is set forth in Article II hereof.

B. Classification and Treatment of Claims and Equity Interests.

1. Class Descriptions: AGCL. The classification of Claims against and Equity Interests in AGCL is as follows:

AGCL Class 1 consists of all Other Priority Claims.

AGCL Class 2 consists of the Milligan-Whyte Secured Claim.

AGCL Class 3 consists of all General Unsecured Claims.

AGCL Class 4 consists of all Intercompany Claims.

AGCL Class 5 consists of all Section 510(b) Litigation Claims.

AGCL Class 6 consists of all Equity Interests.

2. Class Descriptions: AGCDC. The classification of Claims against and Equity Interests in AGCDC is as follows:

AGCDC Class 1 consists of all Other Priority Claims.

AGCDC Class 2 consists of the Legere Secured Claim.

AGCDC Class 3 consists of all General Unsecured Claims.

AGCDC Class 4 consists of all Intercompany Claims.

AGCDC Class 5 consists of all Equity Interests.

3. Treatment of Claims.

(a) **AGCL Class 1 and AGCDC Class 1 -- Other Priority Claims (Unimpaired).**

(i) **Treatment.** On the Distribution Date, each holder of an Allowed AGCL Class 1 Other Priority Claim or an Allowed AGCDC Class 1 Other Priority Claim, as the case may be, shall receive, in full satisfaction, settlement and release of, and in exchange for, such Allowed AGCL Class 1 Other Priority Claim or Allowed AGCDC Class 1 Other Priority Claim, (a) payment of Cash in an amount equal to the unpaid portion of such Allowed AGCL Class 1 Other Priority Claim or Allowed AGCDC Class 1 Other Priority Claim, or (b) such other less favorable treatment to which the Liquidating Trustee and such holder shall have agreed upon in writing.

(ii) **Impairment Status and Voting Rights.** AGCL Class 1 and AGCDC Class 1 are not impaired. The holders of AGCL Class 1 Other Priority Claims and AGCDC Class 1 Other Priority Claims conclusively are deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the holders of Claims in AGCL Class 1 and AGCDC Class 1 are not entitled to vote to accept or reject the Plan.

(b) **AGCL Class 2 -- Milligan-Whyte Secured Claim (Impaired).**

(i) **Treatment.** On the Distribution Date, the holder of the Allowed AGCL Class 2 Secured Claim shall receive, in full settlement, satisfaction and release of, and in exchange for, such AGCL Class 2 Secured Claim, (x) Cash in the amount of such Allowed Class 2 Secured Claim, exclusive of interest or (z) such other treatment as the Liquidating Trustee and such holder shall have agreed upon in writing.

(ii) **Impairment Status and Voting Rights.** AGCL Class 2 is impaired. The holder of the AGCL Class 2 Secured Claim is entitled to vote to accept or reject the Plan.

(c) **AGCDC Class 2 -- Legere Secured Claim (Impaired).**

(i) **Treatment.** On, or as soon as reasonably practicable after, (i) the Distribution Date, if the AGCDC Class 2 Secured Claim is an Allowed Secured Claim as of the Effective Date, or (ii) the first Quarterly Distribution Date after the date on which the AGCDC Class 2 Secured Claim becomes an Allowed Secured Claim, the holder of the Allowed AGCDC Class 2 Secured Claim shall receive, in full settlement, satisfaction and release of, and in exchange for, such AGCDC Class 2 Secured Claim, the “indubitable equivalent” of such AGCDC Class 2 Secured Claim within the meaning of Section 1129(b)(2)(A)(iii) of the Bankruptcy Code. Disputes, if any, concerning whether the Distribution(s) made to the holder of the Allowed AGCDC Class 2 Secured Claim pursuant to the Plan constitute the “indubitable equivalent” of such Allowed AGCDC Class 2 Secured Claim shall be resolved by the Bankruptcy Court upon the motion of either the Liquidating Trustee or the holder of such Claim.

(ii) **Impairment Status and Voting Rights.** AGCDC Class 2 is impaired. The holder of the AGCDC Class 2 Secured Claim is entitled to vote to accept or reject the Plan.

(d) **AGCL Class 3 and AGCDC Class 3 -- General Unsecured Claims (Impaired).**

(i) **Treatment.** On, or as soon as reasonably practicable after, (i) the Distribution Date, if such General Unsecured Claim is an Allowed General Unsecured Claim as of the Effective Date, or (ii) the first Quarterly Distribution Date after the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim, each holder of an Allowed AGCL Class 3 General Unsecured Claim or an Allowed AGCDC Class 3 General Unsecured Claim, as the case may be, shall receive a Distribution equal to its Ratable Proportion of the applicable Estate’s Available Cash. On each ensuing Quarterly Distribution Date, each holder of an Allowed AGCDC Class 3 General Unsecured Claim or an Allowed AGCDC Class 3 General Unsecured Claim, as the case may be, shall receive a Distribution equal to its Ratable Proportion of the applicable Estate’s Available Cash.

(ii) **Distributions to Holders of Senior Note Claims.** Notwithstanding any provision contained in the Plan to the contrary, the distribution provisions contained in the Senior Note Indenture shall continue in effect to the extent necessary to authorize the Indenture Trustee to receive and distribute all Distributions to be made pursuant to this Plan to the holders of Senior Note Claims. Such provisions shall

terminate in their entirety upon completion of all such Distributions under the Plan. The Distributions to be made under the Plan to holders of the Senior Note Claims shall be made to the Indenture Trustee, which, subject to the right of the Indenture Trustee to assert its Indenture Trustee Charging Lien against such Distributions to the extent of its reasonable fees and expenses incurred in connection with receiving and distributing such Distributions, shall promptly transmit the Distributions to the holders of the Senior Note Claims in accordance with the Plan.

(iii) **Impairment Status and Voting Rights.** Each of AGCL Class 3 and AGCDC Class 3 is impaired. The holders of Class 3 General Unsecured Claims are entitled to vote to accept or reject the Plan.

(e) **AGCL Class 4 – Intercompany Claims (Impaired).**

(i) **Treatment.** Holders of Allowed AGCL Class 4 Intercompany Claims shall neither receive nor retain any property under the Plan.

(ii) **Impairment Status and Voting Rights.** AGCL Class 4 is impaired and conclusively is deemed to have rejected the Plan. Therefore, the holders of Allowed AGCL Class 4 Intercompany Claims are not entitled to vote to accept or reject the Plan.

(f) **AGCL Class 5 – Section 510(b) Claims (Impaired).**

(i) **Treatment.** Holders of Allowed AGCL Class 5 Section 510(b) Claims shall neither receive nor retain any property under the Plan.

(ii) **Impairment Status and Voting Rights.** AGCL Class 5 is impaired and conclusively is deemed to have rejected the Plan. Therefore, the holders of Allowed AGCL Class 5 Section 510(b) Claims are not entitled to vote to accept or reject the Plan.

(g) **AGCL Class 6 – Equity Interests (Impaired).**

(i) **Treatment.** Holders of Allowed AGCL Class 6 Equity Interests shall neither receive nor retain any property under the Plan. On the Effective Date, AGCL Class 6 Equity Interests shall be cancelled.

(ii) **Impairment Status and Voting Rights.** AGCL Class 5 is impaired and conclusively is deemed to have rejected the Plan. Therefore, the holders of Allowed AGCL Class 6 Equity Interests are not entitled to vote to accept or reject the Plan.

(h) **AGCDC Class 4 – Intercompany Claims (Impaired).**

(i) **Treatment.** Holders of Allowed AGCDC Class 4 Intercompany Claims shall neither receive nor retain any property under

the Plan; *provided, however*, notwithstanding the foregoing, in the event that Allowed AGCDC Class 3 Claims are satisfied in full in accordance with the provisions of this Plan, the remaining Available Cash of AGCDC's Estate shall be distributed to the holder of the Allowed AGCDC Class 4 Claim.

(ii) **Impairment Status and Voting Rights.** AGCDC Class 4 is impaired and conclusively is deemed to have rejected the Plan. Therefore, the holders of Allowed AGCDC Class 4 Intercompany Claims are not entitled to vote to accept or reject the Plan.

(i) **AGCDC Class 5 – Equity Interests (Impaired).**

(i) **Treatment.** Holders of Allowed AGCDC Class 5 Equity Interests shall neither receive nor retain any property under the Plan. On the Effective Date, AGCDC Class 5 Equity Interests shall be cancelled.

(ii) **Impairment Status and Voting Rights.** AGCDC Class 5 is impaired and conclusively is deemed to have rejected the Plan. Therefore, the holders of Allowed AGCDC Class 5 Equity Interests are not entitled to vote to accept or reject the Plan.

4. Identification of Impaired and Unimpaired Classes: AGCL.

AGCL Class 1 (Other Priority Claims) is an Unimpaired Class.

AGCL Class 2 (Secured Claims) is an Impaired Class.

AGCL Class 3 (General Unsecured Claims) is an Impaired Class.

AGCL Class 4 (Intercompany Claims) is an Impaired Class.

AGCL Class 5 (Section 510(b) Claims) is an Impaired Class.

AGCL Class 6 (Equity Interests) is an Impaired Class.

5. Identification of Impaired and Unimpaired Classes: AGCDC.

AGCDC Class 1 (Other Priority Claims) is an Unimpaired Class.

AGCDC Class 2 (Secured Claims) is an Impaired Class.

AGCDC Class 3 (General Unsecured Claims) is an Impaired Class.

AGCDC Class 4 (Intercompany Claims) is an Impaired Class.

AGCDC Class 5 (Equity Interests) is an Impaired Class.

ARTICLE IV.

ACCEPTANCE OR REJECTION OF THE PLAN

A. Holders of Claims and Equity Interests Entitled to Vote.

Except as provided herein, each holder of an Allowed Claim or Allowed Equity Interest, or the holder of a Claim or Equity Interest that has been temporarily Allowed for voting purposes only under Bankruptcy Rule 3018(a), in an Impaired Class that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. By operation of law, each Unimpaired Class of Claims shall be deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan. Any Class of Claims or Equity Interests that will not receive or retain any property on account of such Claims or Equity Interests under the Plan is deemed, by operation of law, to have rejected the Plan and, therefore, is not entitled to vote to accept or reject the Plan.

AGCL Classes 2, 3, 4, 5 and 6 are Impaired Classes hereunder. AGCDC Classes 2, 3, 4 and 5 are Impaired Classes hereunder. The holders of Allowed Claims in AGCL Classes 2 and 3 and AGCDC Classes 2 and 3, respectively, are entitled to vote to accept or reject this Plan. The holders of Allowed Claims in AGCL Classes 4 and 5, the holders of Allowed Equity Interests in AGCL Class 6, the holders of Allowed Claims in AGCDC Class 4 and the holders of Allowed Equity Interests in AGCDC Class 5 are not entitled to receive or retain any property under the Plan and conclusively are presumed to have rejected the Plan pursuant to Bankruptcy Code § 1126(g); as such, holders of such Allowed Claims or Allowed Interests are not entitled to vote to accept or reject this Plan.

B. Acceptance by Impaired Classes.

An Impaired Class of Claims shall have accepted the Plan if (a) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds (2/3) in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (b) the holders (other than any holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept the Plan.

C. Presumed Acceptance of Plan

Each of AGCL Class 1 and AGCDC Class 1 is an Unimpaired Class under the Plan, and, therefore, conclusively is presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code; as such, holders of Allowed AGCL Class 1 Claims and holders of Allowed AGCDC Class 1 Claims are not entitled to vote to accept or reject this Plan.

D. Elimination of Vacant Classes.

Any Class of Claims that is not occupied as of the date of the commencement of the Confirmation Hearing by an Allowed Claim or a Claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed deleted from the Plan for purposes of (i) voting on the acceptance or

rejection of the Plan and (ii) determining acceptance or rejection of the Plan by such Class under section 1129(a)(8) of the Bankruptcy Code.

E. Confirmation by Cramdown.

The Plan Proponents will request Confirmation of the Plan, as it may be modified from time to time, under section 1129(b) of the Bankruptcy Code with respect to AGCL Classes 4, 5 and 6, and AGCDC Classes 4 and 5, each of which is deemed to have rejected the Plan. In addition, in the event that any other Impaired Class of Claims entitled to vote shall not accept the Plan by the requisite majorities provided in section 1126(c) of the Bankruptcy Code, the Plan Proponents reserve the right to (i) modify the Plan in accordance with Section XII.A hereof and/or (ii) request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code notwithstanding such lack of acceptance.

ARTICLE V.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. Settlement of Certain Claims.

Pursuant to Bankruptcy Rule 9019, and in consideration of the classification, distribution, releases and other benefits provided under the Plan and the Scheme of Arrangement, upon the Effective Date, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved pursuant to the Plan.

B. Transactions on the Effective Date.

On the Effective Date, (a) the remaining officers and members of the boards of directors of AGCL and AGCDC, respectively, shall be deemed to have resigned, (b) the Liquidating Trustee shall be appointed in accordance with Section V.F.1 of the Plan, and (c) the Debtors will transfer the Liquidating Trust Assets to the Liquidating Trust on behalf of holders of Allowed Claims. Notwithstanding the foregoing, for the purposes of enabling and facilitating a smooth and orderly transition from the Debtors to the Liquidating Trustee and the orderly transfer of the Liquidating Trust assets by the Debtors to the Liquidating Trust, the designated Liquidating Trustee shall be authorized to engage Liquidating Trust Professionals, and incur fees and expenses in connection with such engagement, immediately upon the occurrence of the Confirmation Date.

C. Corporate Existence; Dissolution of Debtors.

1. Continued Existence.

AGCL shall continue to exist as a shell corporation after the Effective Date under the laws of Bermuda and pursuant to its certificate of incorporation and by-laws in effect prior to the Effective Date, except to the extent such certificate of incorporation and by-laws are amended under the Plan (but without prejudice to any right to alter or terminate such existence (whether by merger, dissolution or otherwise)), for the limited purpose of effecting, at the expense of the

Liquidating Trust, its dissolution under the laws of Bermuda and the dissolution of each of its direct and indirect subsidiaries under the laws of the jurisdiction of incorporation of such subsidiary.

2. Retention of Debtors' Records; Dissolution.

As soon as practicable after the Effective Date, and at the expense of the Liquidating Trust, the Liquidating Trustee shall (a) provide for the retention and storage of the books, records and files that are delivered to the Liquidating Trustee by the Debtors until the later of (i) the second anniversary of the final Distribution of Available Cash under the Plan or (ii) such time as the Liquidating Trustee determines in good faith, after taking into account applicable law governing the retention of such books, records and files and the Liquidating Trustee's need for such books, records and files in connection with the administration of the Liquidating Trust, that such retention no longer is necessary or required, (b) file a certificate informing the Bankruptcy Court of the location at which such books, records and files are being stored; (c) file a certification with the Bankruptcy Court stating that the assets of the Debtors' respective Estates have transferred to the Liquidating Trust; and (d) take any and all appropriate action to cause (x) AGCL to be dissolved under Bermuda law and (y) each direct and indirect subsidiary of AGCL, other than PCL, to be dissolved under the law of the jurisdiction of its incorporation. In accordance with Section 303 of the Delaware General Corporation Law, the Liquidating Trustee, on behalf of AGCDC, shall file a certificate of dissolution with the Secretary of State of Delaware and, subject to Section 103(d) of the Delaware General Corporation Law, such certificate shall become effective upon filing, and AGCDC shall be deemed dissolved for all purposes under Delaware law without the necessity for any other or further actions to be taken by or on behalf of AGCDC or payments to be made in connection therewith.

D. Effectuating Documents; Further Transactions.

The Liquidating Trustee shall be authorized to execute, deliver, file or record such documents, instruments, releases and other agreements and to take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

E. The Liquidating Trust Agreement.

1. Execution of Liquidating Trust Agreement.

On the Effective Date, the Liquidating Trust shall be executed, and all other necessary steps shall be taken to establish the Liquidating Trust and the Beneficial Interests, which shall be for the benefit of the holders of Allowed General Unsecured Claims. In the event of conflict between the terms of Sections V.E and V.F of the Plan and the terms of the Liquidating Trust Agreement, the terms of the Liquidating Trust Agreement shall govern.

2. Purpose of Liquidating Trust.

The Liquidating Trust shall be established for the sole purpose of liquidating its assets, in accordance with IRS Revenue Procedure 94-45 and Treasury Regulation section 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business.

3. Liquidating Trust Assets.

The Liquidating Trust shall consist of the Liquidating Trust Assets. Any Cash or other property received from third parties from the prosecution, settlement, or compromise of the Causes of Action shall constitute Liquidating Trust Assets for purposes of distributions under the Liquidating Trust. On the Effective Date, the Debtors shall transfer all of the Liquidating Trust Assets to the Liquidating Trust free and clear of all liens, claims and encumbrances.

4. Governance of the Liquidating Trust.

The Liquidating trust shall be governed by the Liquidating Trustee.

5. Federal Income Tax Treatment of the Trust for the Liquidating Trust Assets.

(a) Liquidating Trust Assets Treated as Owned by Creditors.

For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Beneficiaries) shall treat the transfer of the Liquidating Trust Assets to the Liquidating Trust for the benefit of the Beneficiaries as (A) a transfer of the Liquidating Trust Assets directly to the Beneficiaries followed by (B) the transfer by the Beneficiaries to the Liquidating Trust of the Liquidating Trust Assets in exchange for Beneficial Interests. Accordingly, the Beneficiaries shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Liquidating Trust Assets.

(b) Tax Reporting.

(i) The Liquidating Trustee shall file returns for the Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-4(a) and in accordance with this Article IV. The Liquidating Trustee shall also annually send to each holder of a Beneficial Interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct all such holders to report such items on their federal income tax returns. The Liquidating Trust's taxable income, gain, loss, deduction or credit will be allocated (subject to subsection (iii) hereof, relating to Disputed Claims) to the Beneficiaries in accordance with their relative Beneficial Interests.

(ii) As soon as possible after the Effective Date, the Liquidating Trustee shall make a good faith valuation of the Liquidating Trust Assets, and such valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the Beneficiaries) for all federal income tax purposes. The Liquidating Trustee shall also file (or cause to be filed) any other statements, returns or

disclosures relating to the Liquidating Trust that are required by any governmental unit.

(iii) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (i) treat such Liquidating Trust Assets allocable to, or retained on account of, Disputed Claims as held by a discrete trust for federal income tax purposes, consisting of separate and independent shares to be established in respect of each Disputed Claim, in accordance with the trust provisions of the Internal Revenue Code (section 641 *et seq.*), (ii) treat as taxable income or loss of the Disputed Claims Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Liquidating Trust that would have been allocated to the holders of Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Disputed Claims are unresolved), (iii) treat as a distribution from the Disputed Claims Reserve any increased amounts distributed by the Liquidating Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such distributions relate to taxable income or loss of the Disputed Claims Reserve determined in accordance with the provisions hereof, and (iv) to the extent permitted by applicable law, shall report consistent with the foregoing for state and local income tax purposes. All Beneficiaries shall report, for tax purposes, consistent with the foregoing.

(iv) The Liquidating Trustee shall be responsible for payments, out of the Liquidating Trust Assets, of any taxes imposed on the Liquidating Trust or its assets, including the Disputed Claims Reserve or the other Reserves. In the event, and to the extent, that any Cash retained on account of Disputed Claims in the Disputed Claims Reserve is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of, Disputed Claims, such taxes paid by the Liquidating Trustee other than from the Disputed Claims Reserve shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed Claims or (ii) to the extent such Disputed Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating Trustee as a result of the resolutions of such Disputed Claims.

(v) The Liquidating Trustee may request an expedited determination of Taxes of the Liquidating Trust, including the Disputed Claims Reserve or the other Reserves, under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Liquidating Trust for all taxable periods through the dissolution of the Liquidating Trust.

F. The Liquidating Trustee.

1. Appointment.

From and after the Effective Date, an entity to be designated jointly by the Debtors and the Committee prior to the Confirmation Date, shall serve as the Liquidating Trustee pursuant to the Liquidating Trust Agreement and the Plan, until death, resignation or discharge and the appointment of a successor Liquidating Trustee in accordance with the Liquidating Trust Agreement and the Plan.

2. Role of the Liquidating Trustee.

In furtherance of and consistent with the purpose of the Liquidating Trust, this Plan and the Scheme, the Liquidating Trustee shall (i) have the power and authority to hold, manage and distribute the Liquidating Trust Assets, (ii) hold the Liquidating Trust Assets for the benefit of the holders of Allowed General Unsecured Claims, and (iii) have the power and authority to hold, manage and distribute Cash and non-Cash Liquidating Trust Assets obtained through the exercise of its power and authority. In all circumstances, the Liquidating Trustee shall act in the best interests of all Beneficiaries and in furtherance of the purpose of the Liquidating Trust.

3. Rights, Powers and Duties of the Debtors and the Liquidating Trustee.

The Debtors shall retain and have all the rights, powers and duties necessary to carry out its responsibilities under the Plan. Subject to the consultation rights of the Plan Committee as set forth in Section V.G.4 of the Plan, such rights, powers and duties, which shall be exercisable by the Liquidating Trustee after the Effective Date pursuant to the Plan and the Liquidating Trust Agreement, shall include, among others:

- (a) hold legal title to any and all rights of the holders of the Beneficial Interests in or arising from the Liquidating Trust Assets, including collecting and receiving any and all money and other property belonging to the Liquidating Trust and the right to vote any claim or interest in a case under the Bankruptcy Code and receive any distribution thereon;
- (b) perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code, including commencing, prosecuting or settling causes of action, enforcing contracts, and asserting claims, defenses, offsets and privileges;
- (c) protect and enforce the rights to the Liquidating Trust Assets by any method deemed appropriate including by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;
- (d) borrow funds, incur or assume liabilities, and pledge Liquidating Trust Assets on behalf of the Liquidating Trust in furtherance of or in

connection with the Liquidating Trustee's or the Liquidating Trust's duties, powers, authority, and obligations under the Liquidating Trust Agreement and this Plan, and determine and satisfy any and all liabilities created, incurred or assumed by the Liquidating Trust;

(e) file, if necessary, any and all tax and information returns with respect to the Liquidating Trust and the Reserves and pay taxes, if any, properly payable by the Liquidating Trust or the Reserves;

(f) pay all expenses and make all other payments relating to the Liquidating Trust Assets;

(g) obtain reasonable insurance coverage with respect to its liabilities and obligations as Liquidating Trustee under the Liquidating Trust Agreement and this Plan (in the form of an errors and omissions policy or otherwise);

(h) obtain insurance coverage with respect to real and personal property that may become Liquidating Trust Assets, if any;

(i) retain and pay such Liquidating Trust Professionals as the Liquidating Trustee in its sole discretion may select to assist the Liquidating Trustee in its duties, on such terms as the Liquidating Trustee deems appropriate, without Bankruptcy Court approval. The Liquidating Trustee may commit the Liquidating Trust to and shall pay such Liquidating Trust Professionals reasonable compensation for services rendered and expenses incurred. A Liquidating Trust Professional shall not be disqualified from serving the Liquidating Trustee solely because of its current or prior retention as counsel or professional to a party in interest in the Chapter 11 Cases or the Bermuda Proceedings;

(j) retain and pay an independent public accounting firm to perform such reviews and/or audits of the financial books and records of the Liquidating Trust and the Reserves as may be appropriate in the Liquidating Trustee's sole discretion and to prepare and file any tax returns or informational returns for the Liquidating Trust and the Reserves as may be required. The Liquidating Trustee may commit the Liquidating Trust to pay and shall pay such independent public accounting firm reasonable compensation for services rendered and expenses incurred;

(k) retain and pay such third parties as the Liquidating Trustee, in its sole discretion, may deem necessary or appropriate to assist the Liquidating Trustee in carrying out its powers and duties under the Liquidating Trust Agreement and this Plan. The Liquidating Trustee may commit the Liquidating Trust to and shall pay all such persons or entities reasonable compensation for services rendered and expenses incurred, as well as commit the Liquidating Trust to indemnify any such parties in connection with the performance of services;

(l) employ such employees as the Liquidating Trustee, in its sole discretion and as consistent with the purposes of the Liquidating Trust, may deem necessary or appropriate to assist the Liquidating Trustee in carrying out its powers and duties under the Liquidating Trust Agreement and this Plan. The Liquidating Trustee may commit the Liquidating Trust to pay and shall pay all such employees reasonable salary in the amounts it shall determine to be appropriate and any employee benefits it may establish pursuant to Section V.F.2(m) below. If the Liquidating Trustee employs employees pursuant to this Section V.F.2(l), the Liquidating Trustee shall establish payroll procedures and pay any and all federal, state or local tax withholding required under applicable law with respect to any such employees, and it will take all other actions it deems necessary to effectuate the provisions of this Section V.F.2(l);

(m) establish and adopt or cease to provide such employee benefits for the benefit of any employees described in Section V.F.2(l) above as the Liquidating Trustee, in its sole discretion and as consistent with the purposes of the Liquidating Trust, may deem necessary or appropriate, including, without limitation, the adoption of any group health plan;

(n) assert or waive any privilege or defense on behalf of the Debtors or, with respect to the Liquidating Trust Assets, the Liquidating Trust;

(o) compromise, adjust, arbitrate, sue on, defend, pursue, prosecute, abandon or exercise any and all rights, powers, and privileges with respect to, or otherwise deal with and settle, in accordance with the terms set forth herein, all Causes of Action and any and all claims and causes of action against the Debtors or the Liquidating Trust as the Liquidating Trustee shall deem advisable;

(p) avoid and recover transfers of the Debtors' property as may be permitted by the Bankruptcy Code or applicable state law;

(q) execute offsets and assert counterclaims against Claims as provided for in the Plan;

(r) in its sole discretion (subject to this Section V.F of the Plan), take all appropriate action with respect to the Liquidating Trust Assets consistent with the purpose of the Liquidating Trust, including the avoidance of any transfer or obligation, and the filing, prosecution, settlement or other resolution of claims and causes of action, including the Avoidance Actions;

(s) invest any moneys held as part of the Liquidating Trust in accordance with the terms of the Liquidating Trust Agreement, limited, however, to such investments that are consistent with the Liquidating Trust's status as a liquidating trust within the meaning of Treasury Regulations Section 301.7701-4(d);

(t) request any appropriate tax determination with respect to the Liquidating Trust or the Disputed Claims Reserve, including a determination pursuant to Section 505 of the Bankruptcy Code;

(u) establish and maintain a website for the purpose of providing notice of Liquidating Trust activities in lieu of sending written notice to holders of Beneficial Interests, subject to providing notice of such website to such holders;

(v) take or refrain from taking any and all actions that the Liquidating Trustee reasonably deems necessary or convenient for the continuation, protection and maximization of the Liquidating Trust Assets or to carry out the purposes hereof; and

(w) seek the examination of any entity subject to the provisions of Bankruptcy Rule 2004.

The Liquidating Trustee may delegate such powers as the Liquidating Trustee deems necessary for the resolution and conversion to Cash of the Causes of Action.

4. Compensation of the Liquidating Trustee.

The Liquidating Trustee (and any Liquidating Trust Professionals retained by the Liquidating Trustee) shall be compensated first from the Operating Reserve and then out of the Liquidating Trust Assets pursuant to the terms of the Liquidating Trust Agreement. The Liquidating Trustee shall be entitled to reasonable compensation in an amount consistent with that of similar functionaries in similar types of reorganization proceedings. The payment of the fees and expenses of the Liquidating Trustee and the Liquidating Trust Professionals shall be made from the Operating Reserve in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court.

5. Indemnification.

The Liquidating Trustee, and the Liquidating Trustee's agents, representatives, designees, and professionals, and their respective employees shall not be liable for any actions taken or omitted in its capacity as, or on behalf of, the Liquidating Trustee, except those acts or omissions arising out of its or their own willful misconduct, fraud or gross negligence, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Liquidating Trustee, except for any actions or inactions involving willful misconduct, fraud or gross negligence. Any indemnification claim of the Liquidating Trustee (and the other parties entitled to indemnification under this Section V.F.5) shall be satisfied first from the Operating Reserve and then from the Liquidating Trust Assets. The Liquidating Trustee shall be entitled to rely, in good faith, on the advice of its retained Liquidating Trust Professionals. The Liquidating Trust shall indemnify and hold harmless the Liquidating Trustee and its designees and Liquidating Trust Professionals, and all duly designated agents and representatives thereof, from and against and in respect of all liabilities, losses, damages, claims, costs, and expenses, including without limitation attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Liquidating Trust or the

implementation or administration of the Trust Agreement and this Plan; provided, however, that no such indemnification will be made for such actions or omissions as a result of willful misconduct, fraud or gross negligence. The indemnification provisions of the Liquidating Trust Agreement shall remain available to and be binding upon any former Liquidating Trustee or the estate of any deceased Liquidating Trustee and shall survive the termination of the Liquidating Trust Agreement.

6. Insurance.

The Liquidating Trustee shall be authorized to obtain and pay for out of the Operating Reserve all reasonably necessary insurance coverage for itself, its agents, representatives, employees, independent contractors and the Liquidating Trust, including coverage with respect to (i) any property that is or may in the future become the property of the Liquidating Trust and (ii) the liabilities, duties and obligations of the Liquidating Trustee and its agents, representatives, employees or independent contractors under the Liquidating Trust Agreement (in the form of an errors and omissions policy or otherwise), the latter of which insurance coverage may, at the sole option of the Liquidating Trustee, remain in effect for a reasonable period (not to exceed six years) after the termination of the Liquidating Trust Agreement.

7. Authority To Object to Claims and Interests and To Settle Disputed Claims.

From and after the Effective Date, and subject to the consultation rights of the Plan Committee as set forth in Section V.G of the Plan, the Liquidating Trustee shall be authorized, with respect to those Claims or Equity Interests that are not Allowed hereunder or by Court order, (i) to object to any Claims Filed against any of the Debtors' Estates and (ii) pursuant to Bankruptcy Rule 9019(b) and section 105(a) of the Bankruptcy Code, to compromise and settle Disputed Claims in accordance with the following procedures, which shall constitute sufficient notice in accordance with the Bankruptcy Code and the Bankruptcy Rules for compromises and settlements of claims:

(a) If the proposed amount at which the Disputed Claim is to be Allowed is less than or equal to \$50,000, the Liquidating Trustee shall be authorized and empowered to settle the Disputed Claim and execute such documents and instruments as it determines, in its sole discretion, to be necessary or appropriate to effectuate or implement such settlement or compromise, without notice to any party, and the Liquidating Trustee shall have no liability to any party for the reasonableness of such settlement.

(b) If the proposed amount at which the Disputed Claim is to be allowed is greater than \$50,000 but less than or equal to \$5 million, the Liquidating Trustee shall be authorized and empowered to settle such Disputed Claim and execute such documents and instruments as it determines, in its sole discretion, to be necessary or appropriate to effectuate or implement such settlement or compromise, only upon receipt of written approval of the Plan Committee or the Bankruptcy Court of such settlement.

(c) If the proposed amount at which the Disputed Claim is to be allowed is greater than \$5 million, the Liquidating Trustee, with the written approval of the Plan Committee, shall be authorized and empowered to settle the Disputed Claim and execute such documents and instruments as it determines, in its sole discretion, to be necessary or appropriate to effectuate or implement such settlement or compromise, only upon receipt of Bankruptcy Court approval of such settlement or compromise.

G. Committee and Plan Committee.

1. Dissolution of Committee.

The Committee shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in section 1103 of the Bankruptcy Code and shall perform such other duties as it may have been assigned by the Bankruptcy Court or in this Plan prior to the Effective Date. On the Effective Date, the Committee shall be deemed dissolved, and its members shall be deemed released of all their duties, responsibilities and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Committee's Professionals shall terminate; *provided, however*, that the Committee shall continue to exist after the Effective Date for the limited purpose of (i) reviewing and objecting, if necessary, to final applications for Professional Fees and (ii) contesting any appeal of the Confirmation Order. Counsel to the Committee shall be entitled to reasonable compensation and reimbursement of actual, necessary and reasonable expenses for post-Effective Date activities authorized hereunder upon the submission of invoices to the Liquidating Trustee.

2. Creation of Plan Committee; Procedures.

On the Effective Date, the Plan Committee shall be formed and constituted. The Plan Committee shall consist of three (3) Committee members (other than the Indenture Trustee) who shall be appointed by the Committee and whose identities shall be disclosed to the Bankruptcy Court prior to the Confirmation Hearing Date; *provided, however*, that if fewer than three (3) Committee members express an interest in serving on the Plan Committee, then the Plan Committee shall consist of the two (2) or one (1) (as the case may be) Committee members willing to serve. Membership on the Plan Committee shall be on an institutional and not on an individual basis. In the event that a member of the Plan Committee resigns from its position on the Plan Committee, such member shall have the right to designate its successor (if any) on the Plan Committee. To the extent that a resigning member of the Plan Committee does not exercise its right to designate its successor on the Plan Committee within ten (10) days after such member's resignation from the Plan Committee, the non-resigning members of the Plan Committee shall have the right (but not the obligation) to designate a successor to the resigning member of the Plan Committee. In the event that there have been no Plan Committee members for a period of thirty (30) consecutive days, then the Liquidating Trustee may, during such vacancy and thereafter, in its sole discretion, ignore any reference in the Plan, the Liquidating Trust Agreement or the Confirmation Order to a Plan Committee, and all references to the Plan Committee's ongoing duties and rights in the Plan, the Liquidating Trust Agreement and the Confirmation Order shall be null and void.

3. Standing of Plan Committee.

The Plan Committee shall have independent standing to appear and be heard in the Bankruptcy Court with respect to any matter relating to the Plan, the Debtors, the Estates, the Liquidating Trustee, or the Liquidating Trust, including any matter as to which the Bankruptcy Court has retained jurisdiction pursuant to Article XI of the Plan. The Plan Committee shall be the successor-in-interest to, and the assignee of, the Committee with respect to any and all of the Committee's right, title and interest in and to causes of action, rights, claims or defenses, including objections to Claims and Equity Interests, or proceedings to subordinate or recharacterize Claims.

4. Plan Committee Function and Duration; Compensation and Expenses.

The Plan Committee shall have consultation rights with respect to the Liquidating Trustee. The Liquidating Trustee shall report to the Plan Committee, and the Plan Committee shall have the power to remove the Liquidating Trustee. The Plan Committee (i) shall be responsible for (A) consulting with the Liquidating Trustee with respect to the Liquidating Trustee's responsibilities under the Plan and the Liquidating Trust Agreement, (B) reviewing and consulting with respect to the prosecution of adversary proceedings, contested matters and other proceedings, if any, including proposed settlements thereof, (C) reviewing and consulting with respect to objections to and proposed settlements of Disputed Claims, (D) performing such other duties that may be necessary and proper to assist the Liquidating Trustee and its retained Liquidating Trust Professionals, and (ii) shall remain in existence until such time as the final Distributions under the Plan have been made by the Liquidating Trustee. The members of the Plan Committee shall serve without compensation for their performance of services as members of the Plan Committee, except that they shall be entitled to reimbursement by the Liquidating Trustee of the actual, necessary and reasonable expenses incurred by them in the performance of their duties hereunder.

5. Liability; Indemnification.

Neither the Plan Committee, nor any of its members or designees, nor any duly designated agent or representative of the Plan Committee, including counsel and other professionals retained by the Plan Committee, or their respective employees (collectively, the **"Indemnified Plan Committee Parties"**), shall be liable for the act or omission of any other Indemnified Plan Committee Party, nor shall any Plan Committee member be liable for any act or omission taken or omitted to be taken in its capacity as a member of the Plan Committee, other than acts or omissions resulting from such member's willful misconduct, bad faith or gross negligence. The Liquidating Trust shall indemnify and hold harmless the Indemnified Plan Committee Parties (in their capacity as such) from and against and with respect to any and all liabilities, losses, damages, claims, costs and expenses, including attorneys' fees, arising out of or due to their actions or omissions, or consequences of such actions or omissions, other than as a result of their willful misconduct, bad faith or gross negligence, with respect to the Debtors, the Estates, the Liquidating Trust or the implementation or administration of the Plan. To the extent that an Indemnified Plan Committee Party asserts a claim for indemnification hereunder, the

legal fees and related costs incurred by counsel to such Indemnified Plan Committee Party in monitoring and participating in the defense of such claims giving rise to the asserted right of indemnification shall be advanced to such Indemnified Plan Committee Party (and such Indemnified Plan Committee Party undertakes to repay such amounts if it ultimately shall be determined that such Indemnified Plan Committee Party is not entitled to be indemnified therefore) out of the Operating Reserve.

H. Operations of the Debtors between Confirmation and the Effective Date.

The Debtors shall continue to operate as debtors in possession during the period from the Confirmation Date and until the Effective Date.

I. Cancellation of Debt Securities.

On the Effective Date, except as otherwise provided for herein, the Debt Securities shall be deemed extinguished, cancelled and of no further force or effect, and the obligations of the Debtors thereunder shall be discharged, in each case without any further act or action under any applicable agreement, law, regulation, order or rule and without any further action on the part of the Bankruptcy Court or any Person; *provided, however*, that the Senior Note Indenture shall continue in effect solely for the purposes of allowing the Indenture Trustee to receive and make the Distributions to be made to the holders of Senior Note Claims under the Plan. The holders of such cancelled Debt Securities shall have no rights against the Debtors arising from or relating to such Debt Securities or the cancellation thereof, except the rights provided herein.

Except to the extent otherwise provided for herein, in agreements entered into in connection herewith, or the Confirmation Order, as a condition to participating in Distributions under the Plan, a Claimant holding a Debt Security shall be deemed to surrender such Debt Security to the Liquidating Trustee or the Indenture Trustee on the Effective Date. The Debt Securities shall be deemed cancelled and shall represent only the right to receive the Distributions to which the Claimant is entitled under the Plan.

J. Sources of Cash for Plan Distributions.

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for the Liquidating Trustee to make Distributions pursuant to the Plan shall be provided from the Liquidating Trust Assets transferred by the Debtors to the Liquidating Trust pursuant to this Plan and from the liquidation of the non-Cash Liquidating Trust Assets by the Liquidating Trustee.

K. Exclusivity Period.

Subject to further order of the Bankruptcy Court, the Plan Proponents shall retain the exclusive right to amend the Plan and solicit acceptances thereof until the Effective Date.

L. Effectuating Documents; Further Transactions.

Prior to the occurrence of the Effective Date, the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, General Counsel or any other appropriate officer of AGCDC or

AGCL, as the case may be, and, on and after the Effective Date, the Liquidating Trustee, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. Prior to the Effective Date, the Secretary or Assistant Secretary of AGCDC or AGCL, as the case may be, shall be authorized to certify or attest to any of the foregoing actions, if necessary.

M. Distributions under the Plan; Reserves.

On the Distribution Date, or on such later date as Distributions are required to be made on account of Allowed Claims, the Liquidating Trustee shall make, or shall make adequate reserve for, the Distributions required to be made to all holders of Claims (including Disputed Claims but excluding Disallowed Claims) under the Plan. All Distributions reserved pursuant to this Section shall be held by the Liquidating Trustee in trust, for the benefit of the holders of Allowed Claims entitled to receive such Distributions. The Liquidating Trustee shall place Cash Distributions reserved under the Plan in a separate segregated account and may establish one or more interest-bearing Reserve accounts as it determines may be necessary or appropriate to effectuate the provisions of this Plan.

N. Disputed Claims Reserves.

On the Distribution Date, or as soon as practicable thereafter, the Liquidating Trustee shall create and fund the Disputed Claims Reserves in accordance with the provisions of Section VIII.F.1 of the Plan.

O. Preservation of Rights of Action; Settlement of Causes of Action.

On the Effective Date, except as otherwise provided in this Plan or the Confirmation Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with section 1123(b)(3) of the Bankruptcy Code, the Liquidating Trustee, on behalf of the applicable Debtor and its Estate, may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) (i) any and all defenses and counterclaims to all Claims asserted against the applicable Debtor and its Estate, including setoff, recoupment and any rights under Bankruptcy Code section and 502(d) and (ii) the Causes of Action that the applicable Debtor or its Estate may hold against any Person or Entity. The Liquidating Trustee may pursue such retained defenses, counterclaims and Causes of Action, as appropriate, in accordance with the best interests of the Liquidating Trust, as determined by the Liquidating Trustee. The Bankruptcy Court shall retain jurisdiction to adjudicate any and all such Causes of Action, whether commenced prior to or after Confirmation. At any time after the Confirmation Date and before the Effective Date, notwithstanding anything in the Plan to the contrary, the Plan Proponents may settle any or all of the Causes of Action with the approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019.

P. Issuance of New Securities; Execution of Related Documents.

On or as soon as reasonably practicable after the Effective Date, except as otherwise provided in the Plan, the Debtors shall execute, deliver and issue, as the case may be, in

accordance with the provisions of the Plan, all securities, notes, instruments, certificates, warrants, agreements and other documents required to be executed and delivered, or issued, as the case may be, pursuant to the Plan, including the Liquidating Trust Agreement.

Q. Corporate Action

On the Effective Date, the appointment of the Liquidating Trustee and all actions contemplated by the Plan shall be deemed authorized and approved in all respects (subject to the provisions of the Plan and the Confirmation Order). All matters provided for in the Plan involving the corporate structure of each Debtor, and any corporate action required by each Debtor in connection with the Plan or the Confirmation Order, shall be deemed to have occurred and shall be in effect, without any requirement of further action by the holders of Equity Interests or the directors of such Debtor. On the Effective Date, the Liquidating Trustee shall be deemed authorized and directed to issue, execute and deliver the agreements, documents, Securities and instruments contemplated by the Plan in the name of and on behalf of the Liquidating Trust.

R. Scheme of Arrangement.

The Scheme of Arrangement, together with this Plan, shall facilitate and implement a common system of distribution to AGCL's creditors in a manner designed to ensure that there are no double recoveries. Toward that end, the Scheme of Arrangement shall mirror and be consistent with the provisions of the Plan. The provisions of the Plan that govern, among other things, the treatment of Claims, the procedures for treating and resolving Disputed Claims and the means of implementation shall be incorporated or accounted for in the Scheme of Arrangement.

S. JPL Fee and Expense Claim.

1. JPL Fee and Expense Claim Reserve.

On the Effective Date, the JPL Fee and Expense Claim Reserve shall be created and funded by AGCL in an amount estimated by the Plan Proponents in good faith as of the Effective Date to be sufficient to fund all of the fees and expenses of the JPLs and their retained professionals incurred and unpaid prior to the Effective Date (excluding those fees and expenses, if any, that have been disallowed by the Bermuda Court pursuant to the applicable fee approval procedure and that are not subject to any ongoing dispute). To facilitate the estimation contemplated by the immediately preceding sentence, the JPLs and their retained professional advisors shall deliver to the Plan Proponents, within five (5) Business Days of the Confirmation Date, an estimate, prepared in good faith and with reasonable specificity, of (i) their actual fees and expenses incurred prior to, and remaining outstanding as of, the Confirmation Date and (ii) their fees and expenses projected to have been incurred and outstanding as of the Effective Date. The Liquidating Trustee shall administer the JPL Fee and Expense Claim Reserve and shall release funds to the JPLs immediately upon the delivery by the JPLs to the Liquidating Trustee of a copy (certified by the JPLs to be a true and correct copy) of an order of the Bermuda Court that provides that fees and expenses reserved in the JPL Fee and Expense Claim Reserve have been allowed under the applicable approval process established by the Bermuda Court. After the payment in full of the JPL Fee and Expense Claim incurred prior to the Effective Date, any sum

remaining in the JPL Fee and Expense Claim Reserve shall be distributed to the Liquidating Trustee, who shall treat such sum as Available Cash.

2. Post-Effective Date Fees and Expenses of the JPLs.

On the Effective Date, AGCL shall deposit an amount of funds acceptable to the Plan Committee in a bank account in Bermuda designated by and under the sole control of the JPLs, which account shall be subject to the exclusive jurisdiction of the Bermuda Court, for the payment of the fees and expenses of the JPLs and their retained professionals incurred on and after the Effective Date in the Bermuda Proceedings in accordance with the procedures established by the Bermuda court. In the event that the aggregate post-Effective Date fees and expenses of the JPLs and their retained professionals that finally are approved by the Bermuda Court are less than the amount of such deposit any balance in such bank account shall be returned to the Liquidating Trustee promptly following the Bermuda Court's final determination in respect of such fees and expenses, and, thereafter, such balance shall be treated by the Liquidating Trustee as Available Cash. In the event that such post-Effective Date fees and expenses of the JPLs and their retained professionals that finally are approved by the Bermuda Court are greater than the amount of such deposit the Liquidating Trustee shall deposit in such bank account, promptly following the Bermuda Court's final determination in respect of such fees and expenses, funds in an amount sufficient to facilitate payment in full of such approved fees and expenses.

ARTICLE VI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases.

Pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code, except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into in connection with the Plan, each of the prepetition executory contracts and unexpired leases to which any Debtor is a party, to the extent such contracts or leases are executory contracts or unexpired leases, is rejected by the applicable Debtor effective on and subject to the occurrence of the Effective Date, unless such contract or lease (a) previously shall have been assumed or rejected by a Debtor (including those executory contracts and unexpired leases assumed by AGCL and assigned to Asia Netcom) or shall have been deemed rejected pursuant to section 365(d)(4) of the Bankruptcy Code, (b) previously shall have expired or terminated pursuant to its own terms, (c) is identified in the Plan Supplement as a contract or lease to be assumed or (d) is the subject of a pending motion to assume, or assume and assign, Filed on or before the Confirmation Date; *provided, however*, that neither the inclusion by the Plan Proponents of a contract or lease in the Plan Supplement nor anything contained in this Article VI shall constitute an admission by any Debtor that such contract or lease is an executory contract or unexpired lease or that any Debtor or its successors and assigns has any liability thereunder. The Plan Proponents reserve the right, at any time on or before the earlier to occur of (i) the Effective Date or (ii) sixty (60) days after the Confirmation Date, to amend the Plan Supplement to delete any executory contract or unexpired lease therefrom or add any executory

contract or unexpired lease thereto, in which event such executory contract(s) or unexpired lease(s) shall be deemed to be rejected or assumed, as the case may be, by the applicable Debtor. The Plan Proponents shall provide notice of any such amendments to the Plan Supplement to the non-Debtor parties to the executory contracts and unexpired leases affected thereby.

For purposes of sections 365(a) and (b) of the Bankruptcy Code, this Plan shall constitute a motion seeking rejection of all executory contracts and unexpired leases to which any Debtor is a party and which are not excepted from rejection pursuant to the first sentence of this Section VI.A. Entry of the Confirmation Order shall, subject to and effective upon the occurrence of the Effective Date, constitute approval of the rejections described in this Article VI pursuant to sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

B. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed.

Any monetary amounts by which each executory contract and unexpired lease to be assumed pursuant to the Plan is in default shall be satisfied, pursuant to section 365(b)(1) of the Bankruptcy Code, by Cure payable by Liquidating Trustee within thirty (30) days after the Effective Date. In the event of a dispute regarding: (1) the nature or amount of any Cure, (2) the ability of the Liquidating Trust to provide “adequate assurance of future performance” (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (3) any other matter pertaining to assumption, the Cure shall occur within thirty (30) days following the entry of a Final Order resolving the dispute and approving the assumption and, as the case may be, assignment.

C. Bar Date for Claims Based on Rejection of Executory Contracts or Unexpired Leases.

If the rejection by a Debtor, pursuant to the Plan or otherwise, results in damages to the other party or parties to such contract or lease, a claim for such damages shall be forever barred and shall not be enforceable against the applicable Debtor or its Estate, the Liquidating Trust, the Liquidating Trustee or their respective successors or properties unless a proof of claim is Filed and served upon the Liquidating Trustee within thirty (30) days after service of a notice of entry of the Confirmation Order. Unless otherwise ordered by the Bankruptcy Court or provided in this Plan, all Rejection Claims for which proofs of claim are required to be Filed and which timely are Filed in accordance with the provisions of this Section VI.C will constitute, and will be treated as, AGCL Class 3 General Unsecured Claims or AGCDC Class 3 General Unsecured Claims, as the case may be, but only to the extent that such Rejected Claims are Allowed Claims.

D. Rejection of Indemnification Obligations.

The obligations of any Debtor, if any, to indemnify any Person or Entity serving at any time on or prior to the Effective Date as one of its directors, officers, or employees by reason of such Person’s or Entity’s service in such capacity, or as a director, officer, or employee of any other corporation or legal entity, to the extent provided in the Debtor’s constituent documents, by a written agreement with such Debtor or the applicable law of such Debtor’s jurisdiction of incorporation or organization, shall be deemed and treated as an executory contract that is

rejected by the Debtor pursuant to the Plan and section 365 of the Bankruptcy Code as of the Effective Date, except as otherwise provided herein.

ARTICLE VII.

PROVISIONS GOVERNING DISTRIBUTIONS

A. Manner of Payment under the Plan.

Distributions of Cash made pursuant to the Plan shall be in U.S. dollars and shall be made, at the option and in the sole discretion of the Liquidating Trustee, by check drawn on, or by wire transfer from, a domestic bank selected by the Liquidating Trustee. If so requested in a writing received by the Liquidating Trustee no later than five (5) Business Days after the Confirmation Date, Cash Distributions of \$200,000 or more to be made pursuant to the Plan shall be made by wire transfer from a domestic bank, with any associated wire transfer fees to be assessed against the Creditor requesting such wire transfer. Cash payments to foreign Creditors may be made, at the option and in the sole discretion of the Liquidating Trustee, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

B. Timing of Distributions.

Except as otherwise provided herein or as may be ordered by the Bankruptcy Court, Distributions to be made on account of Claims that are Allowed Claims as of the Effective Date and that are entitled to receive Distributions under the Plan shall be made on the Distribution Date. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. Distributions on account of Claims that become Allowed after the Effective Date shall be made pursuant to Article VIII.G of the Plan.

C. Interest on Allowed Claims.

Unless otherwise specifically provided for in the Plan or in the Confirmation Order or required by the Bankruptcy Code, interest, fees, costs and other charges accruing on a Claim or incurred by the holder of such Claim in respect of its Claim on or after the Petition Date shall not be paid, and no Claimant shall be entitled to interest, fees, costs or other charges accruing on its Claim or incurred by it in respect of its Claim on or after the Petition Date on any Claim. In the event that a Disputed Claim becomes an Allowed Claim, interest shall not accrue or be paid upon any such Disputed Claim in respect of the period from the Petition Date to the date on which the final Distribution is made in respect of such Disputed Claim.

D. Distributions by the Liquidating Trustee.

The Liquidating Trustee shall serve as disbursing agent under the Plan and shall make all Distributions required under the Plan.

E. Delivery of Distributions and Undeliverable or Unclaimed Distributions.

1. Delivery of Distributions in General.

Except as provided herein, Distributions to Claimants who, as of the Distribution Record Date, hold Allowed Claims shall be made, as the case may be, (a) at the addresses set forth on the proofs of Claim Filed by Claimants, (b) at the addresses set forth in any written notices of address changes delivered by Claimants to the Liquidating Trustee or the applicable Debtor after the date of any related proof of claim, (c) at the Claimants' respective addresses reflected in the Schedules, if no proof of claim has been Filed and the Liquidating Trustee has not received a written notice of a change of address, or (d) in the case of Debt Securities administered by the Indenture Trustee, in accordance with the provisions of the Senior Note Indenture.

2. Undeliverable and Unclaimed Distributions.

(a) **Holding of Undeliverable Distributions.** If any Distribution to a Claimant is returned to the Liquidating Trustee as undeliverable or is otherwise unclaimed, no further Distributions shall be made to such Claimant unless and until the Liquidating Trustee is notified in writing of such Claimant's then-current address. The Liquidating Trustee shall deposit undeliverable or unclaimed Distributions in a segregated, interest-bearing account, designated as the **"Unclaimed Distribution Reserve,"** for the benefit of all such similarly situated Claimants until such time as a Distribution becomes deliverable or is claimed. The Claimant on account of which a Distribution is undeliverable or unclaimed shall be entitled to any interest, dividends or other accruals of any kind in respect of such Distribution.

(b) **After Distribution Becomes Deliverable.** On each Quarterly Distribution Date, the Liquidating Trustee shall make all Distributions that have become deliverable or have been claimed since the Distribution Date or the immediately preceding Quarterly Distribution Date, as the case may be.

(c) **Failure to Claim Undeliverable Distributions.** In an effort to ensure that all holders of Allowed Claims receive their allocated Distributions, the Liquidating Trustee shall File a listing of holders of undeliverable or unclaimed Distributions. Such list shall be maintained for as long as the Chapter 11 Cases remain open. Any holder of an Allowed Claim that does not assert a Claim pursuant to the Plan for an undeliverable or unclaimed Distribution within one (1) year after the Effective Date shall be deemed to have forfeited its claim for such undeliverable or unclaimed Distribution and shall be forever barred from asserting any such claim for an undeliverable or unclaimed Distribution against the Debtors or their property, the Liquidating Trustee or the Liquidating Trust. In such cases, any Cash held in the Unclaimed Distribution Reserve for distribution on account of such claims for undeliverable or unclaimed Distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and shall be deemed a Liquidating Trust Asset free of any restrictions thereon and

notwithstanding any federal or state escheat laws to the contrary, and any entitlement of any Claimant to such Distributions shall be extinguished and forever barred. Such Cash shall be treated by the Liquidating Trustee as Available Cash. Nothing contained in the Plan or the Liquidating Trust Agreement shall require the Liquidating Trustee to attempt to locate any holder of an Allowed Claim.

F. Time Bar to Negotiate Checks.

Checks issued by the Liquidating Trustee on account of Allowed Claims shall be null and void if not negotiated within ninety (90) days from and after the date of issuance thereof. Requests for re-issuance of any check shall be made in writing directly to the Liquidating Trustee by the holder of the Allowed Claim with respect to which the check was originally issued. Any claim in respect of such a void check shall be made on or before one hundred twenty (120) days after the date of issuance of such check. After such date, all claims in respect of such void checks shall be forever barred, and the proceeds of such checks shall revert in and become the property of the Liquidating Trust for the benefit of holders of Allowed Claims against the applicable Debtor.

G. Record Date for Distributions to Claimants Holding Debt Securities.

As of the close of business on the Distribution Record Date, the transfer register for any Debt Securities canceled pursuant to the Plan (including the Senior Notes) shall be closed, and there shall be no further changes in the record holders of any such Debt Securities. Each of the Debtors, the Liquidating Trustee and the Indenture Trustee shall have no duty to recognize the transfer of, or the sale of any interest in, any Allowed Claim or any Debt Security occurring after the close of business on the Distribution Record Date and shall be entitled for all purposes relating to this Plan to recognize, distribute to and deal with only those record holders of Claims stated on the official claims register maintained by the clerk of the Bankruptcy Court or the transfer books and records as maintained by the Indenture Trustee or its agent, as the case may be, as of the close of business on the Distribution Record Date.

H. Indenture Trustee as Claim Holder.

Consistent with Bankruptcy Rule 3003(c), the Debtors and the Liquidating Trustee, as the case may be, shall recognize a proof of claim filed by the Indenture Trustee in respect of the Senior Note Claims. Accordingly, any Senior Note Claim, proof of which is Filed by the registered or beneficial holder thereof, shall be deemed disallowed as duplicative of the Senior Note Claims of the Indenture Trustee without need for any further action or order of the Bankruptcy Court.

I. Allocation of Plan Distributions between Principal and Interest.

To the extent that any Allowed Claim entitled to a Distribution under the Plan is comprised of indebtedness and accrued but unpaid interest thereon, such Distribution shall, for federal income tax purposes, be allocated to the principal amount of the Claim first and then, to

the extent the Distribution exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

J. Fractional Dollars; De Minimis Distributions.

Notwithstanding any other provision of the Plan or the Liquidating Trust Agreement to the contrary, (a) the Liquidating Trustee shall not be required to make Distributions or payments of fractions of dollars, and whenever any Distribution of a fraction of a dollar under the Plan would otherwise be required, the actual Distribution made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down, and (b) the Liquidating Trustee shall not have a duty to make a Distribution on account of an Allowed Claim from any Reserve or account (i) to any holder of an Allowed Claim if the aggregate amount of all Distributions authorized to be made from all such Reserves or accounts on the Quarterly Distribution Date in question is less than \$10,000, in which case such Distributions shall be deferred to the next Quarterly Distribution Date, or (ii) to a specific holder of an Allowed Claim if the amount to be distributed to that holder on the particular Distribution Date or Quarterly Distribution Date, as the case may be, is less than \$50.00, unless such Distribution constitutes the final Distribution to such holder.

K. No Distribution in Excess of Allowed Amount of Claim.

Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall receive in respect of such Claim any Distribution in excess of the Allowed Amount of such Claim.

L. Setoffs.

Except as otherwise provided in the Plan, the Liquidating Trustee may, pursuant to sections 502(d) or 553 of the Bankruptcy Code or applicable non-bankruptcy law, offset against any Allowed Claim, and the Distributions to be made pursuant to the Plan on account of such Claim (before any Distribution is made on account of such Claim), the claims, rights, and Causes of Action of any nature that the applicable Debtor may hold against the holder of such Allowed Claim; *provided, however*, that (1) neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the applicable Debtor of any such claims, rights, and Causes of Action that such Debtor may possess against such holder.

M. Compliance with Tax Requirements.

In connection with the Plan and all Distributions hereunder, to the extent applicable, the Liquidating Trustee is authorized to take any and all actions that may be necessary or appropriate to comply with all tax withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions pursuant to the Plan shall be subject to any such withholding and reporting requirements.

N. Release of Liens.

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document created or assumed in connection with the Plan, on the Effective Date and concurrently with the applicable Distributions made pursuant to Article VII, all mortgages, deeds of trust, liens, pledges or other security interests against the property of any Debtor's Estate shall be fully released and discharged, and all of the right, title and interest of any holder of such mortgages, deeds of trust, liens, pledges or other security interests shall revert to the Debtors' Respective Estates and shall be deemed Liquidating Trust Assets that are transferred to the Liquidating Trust pursuant to Section V.B of the Plan.

ARTICLE VIII.

PROCEDURES FOR RESOLVING DISPUTED CLAIMS

A. Prosecution of Objections to Claims on and after the Effective Date.

Subject to the limitations set forth in the Liquidating Trust Agreement and Section V.F.7 of the Plan, on and after the Effective Date, the Liquidating Trustee shall have the exclusive authority to, and shall, File, settle, compromise, withdraw or litigate to judgment all objections to Claims, except applications for allowance of Professional Fees (as to which any party in interest may File an objection). Nothing contained herein shall limit the right of the Liquidating Trustee to object to Claims, if any, Filed or amended after the Claims Objection Bar Date.

B. Claims Objection Bar Date.

No later than the Claims Objection Bar Date (unless extended by order of the Bankruptcy Court), the Liquidating Trustee shall File with the Bankruptcy Court objections to Claims and objections to requests for payment of Administrative Claims and serve such objections upon the Claimants who Filed such Claims or requests. If an objection has not been Filed to a proof of Claim, a scheduled Claim or a request for payment of Administrative Claim by the Claims Objection Bar Date, the Claim to which the proof of Claim, the scheduled Claim or the request for payment of Administrative Claim relates, as the case may be, will be treated as an Allowed Claim if such Claim or request for payment has not been Allowed earlier.

C. Estimation of Claims.

The Liquidating Trustee may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection. The Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent or unliquidated Claim, such estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Liquidating Trustee may elect to pursue any supplemental proceedings to object to any ultimate

allowance of such Claim. All of the aforementioned Claims objection, estimation and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

D. Payments and Distributions on Disputed Claims; Disputed Claims Reserve.

Notwithstanding any provision in the Plan to the contrary, no payments or Distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim. Until such time, the Liquidating Trustee shall withhold from the property to be distributed under the Plan the portion of such property allocable to such Disputed Claim and shall place and hold such property in trust in the Disputed Claims Reserve for the benefit of the holder of such Disputed Claim.

E. Distribution When a Disputed Claim Becomes an Allowed Claim.

Distributions to each holder of a Disputed Claim, to the extent that such Claim ultimately becomes an Allowed Claim (and to the extent that the holder of such Claim has not received prior Distributions on account of such Claim), shall be made in accordance with the provisions of the Plan governing the Class of Claims in which such Claim is classified.

F. Accounts and Reserves.

The Liquidating Trustee shall, subject to and in accordance with the provisions of this Plan and the Liquidating Trust Agreement, (a) establish one or more general accounts into which shall be deposited all funds not required to be deposited into a Reserve and (b) create, fund and withdraw funds from, as appropriate, the Operating Reserve, the Administrative Claims Reserve, the Disputed Claims Reserve, the Unclaimed Distributions Reserve and such other reserves, accounts and escrows as the Liquidating Trustee deems appropriate. The Liquidating Trustee shall sell non-Cash assets of the Liquidating Trust, if any, in accordance with the provisions of the Plan and the Liquidating Trust Agreement. The net proceeds of any such sales shall be deposited in an account or Reserve pursuant to the terms of the Liquidating Trust Agreement.

1. Disputed Claims Reserve.

(a) On the Effective Date (or as soon thereafter as is practicable), the Liquidating Trustee shall create and fund, and on each Quarterly Distribution Date, the Liquidating Trustee shall fund, a Disputed Claims Reserve for Disputed General Unsecured Claims. The Liquidating Trustee shall fund the Disputed Claims Reserve with an amount of Cash equal to one hundred percent (100%) of the Distributions to which holders of Disputed General Unsecured Claims would be entitled under the Plan as of such date if such Disputed Claims were Allowed Claims in their Disputed Claim Amount, or such other amount as may be agreed by the holder of such Disputed Claim and the Liquidating Trustee, or such other amount as otherwise may be determined by order of the Bankruptcy Court;

provided, however, that the Liquidating Trustee may, at any time, File motion(s) pursuant to section 502(c) of the Bankruptcy Code for order(s) estimating and limiting the amount of the Cash which shall be deposited in the Disputed Claims Reserve in respect of any Disputed General Unsecured Claims, with notice and an opportunity to be heard to the affected holders of such Disputed Claims. The Disputed Claims Reserve shall be closed and extinguished by the Liquidating Trustee upon its determination that all Distributions required to be made under the Plan have been made in accordance with the terms of the Plan. Upon closure of the Disputed Claims Reserve, all Cash (including any Cash Investment Yield and any Cash dividends and other Distributions held in such Disputed Claims Reserve) shall be subject to redistribution, as appropriate, in accordance with the provisions of Article VII of the Plan.

(b) Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (i) treat the Disputed Claims Reserve established with respect to Disputed Claims as a discrete trust fund for federal income tax purposes, consisting of separate and independent shares to be established in respect of each Disputed Claim, in accordance with the trust provisions of the Internal Revenue Code (sections 641 *et seq.*), and (ii) to the extent permitted by applicable law, shall report consistent with the foregoing for state and local income tax purposes. All holders of Disputed Claims shall report, for tax purposes, consistent with the foregoing. Any amounts relating to Liquidating Trust Assets that are allocable to or retained by the Liquidating Trustee on account of Disputed Claims shall be treated for tax purposes in accordance with Section V.E.5.

2. Administrative Claims Reserve.

On the Effective Date (or as soon thereafter as is practicable), the Liquidating Trustee shall create and fund, and on each Quarterly Distribution Date, the Liquidating Trustee shall fund, the Administrative Claims Reserve with an amount of Cash equal to the aggregate Disputed Claims Amount of all Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Priority Claims and Disputed Secured Claims. The Liquidating Trustee shall fund the Administrative Claims Reserve with an amount of Cash equal to one hundred percent (100%) of the Distributions to which holders of Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Priority Claims and Disputed Secured Claims would be entitled under the Plan as of such date if such Disputed Claims were Allowed Claims in their Disputed Claim Amount, or such other amount as may be agreed by the holder of such Disputed Claim and the Liquidating Trustee, or such other amount as otherwise may be determined by order of the Bankruptcy Court; *provided, however*, that the Liquidating Trustee may, at any time, File motion(s) pursuant to section 502(c) of the Bankruptcy Code for order(s) estimating and limiting the amount of the Cash which shall be deposited in the Administrative Claims Reserve in respect of any Disputed Administrative Claims, Disputed Priority Tax Claims, Disputed Other Priority Claims and Disputed Secured Claims, with notice and an opportunity to be heard to the

affected holders of such Disputed Claims. Each Administrative Claims Reserve shall be closed and extinguished by the Liquidating Trustee upon its determination that all Distributions in respect of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims and Allowed Secured Claims required to be made under the Plan have been made in accordance with the terms of the Plan. Upon closure of an Administrative Claims Reserve, all Cash (including any Cash Investment Yield and any Cash dividends and other Distributions held in such Administrative Claims Reserve) shall be subject to redistribution, as appropriate, in accordance with the provisions of Article VII of the Plan.

3. Operating Reserve.

On the Effective Date or as soon thereafter as practicable, the Liquidating Trustee shall establish the Operating Reserve and deposit Cash (in such amounts as directed by the Plan Committee) sufficient to fund the Debtors' obligations under the Plan (other than Claims whose treatment is prescribed in Article III of the Plan) and to fund the compensation of the Liquidating Trustee and the expenses of the Liquidating Trust, the Liquidating Trustee, the Plan Committee and the Debtors. On each Quarterly Distribution Date, the Liquidating Trustee shall deposit Cash (in such amounts, if any, as directed by the Plan Committee) to maintain the Operating Reserve on and after such date. If, and to the extent that, after making and giving effect to the determination referred to in the immediately preceding sentence, the Liquidating Trustee, in consultation with the Plan Committee, determines that the Operating Reserve (i) contains Cash in excess of the amount required to adequately maintain the Operating Reserve, then the Liquidating Trustee shall transfer such surplus Cash, first, to any underfunded Reserves (but only to the extent of any underfunding) and, next, to any general accounts established pursuant to Section VIII.F, or (ii) does not contain Cash in an amount sufficient to adequately maintain the Operating Reserve, then the Liquidating Trustee shall transfer Cash from any overfunded Reserve or account until the deficit in the Operating Reserve is eliminated.

G. Distributions after Allowance.

On the first Quarterly Distribution Date following the date on which a Disputed Administrative Claim, Disputed Priority Tax Claim, Disputed Non-Tax Priority Claim, Disputed Secured Claim or Disputed General Unsecured Claim, as the case may be, becomes an Allowed Claim, the Liquidating Trustee shall make payments and Distributions from the appropriate Reserves to the holder of such Disputed Claim. Such Distributions shall be made in accordance with the Plan and the Liquidating Trust Agreement. With respect to each Disputed General Unsecured Claim, the amount of such Distributions shall be based upon the cumulative Distributions that would have been made to such holder under the Plan if the Disputed General Unsecured Claim had been Allowed on the Effective Date, shall not be limited by the Disputed Claim Amounts previously reserved with respect to such Disputed General Unsecured Claim and shall be paid to such holder to the extent that additional amounts are available therefor from the Disputed Claims Reserve.

ARTICLE IX.

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. Condition Precedent to Confirmation.

It shall be a condition precedent to Confirmation that the following condition shall have been satisfied or waived in accordance with the provisions of Section IX.C of the Plan:

- (i) the Confirmation Order shall be reasonably acceptable in form and substance to the Debtors and the Committee and shall have been signed by the Bankruptcy Court.

B. Conditions Precedent to Consummation.

It shall be a condition precedent to Consummation that the following conditions shall have been satisfied or waived in accordance with the provisions of Section IX.C of the Plan:

- (i) the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Committee, shall have been signed by the Bankruptcy Court and duly entered on the docket for the Chapter 11 Cases by the clerk of the Bankruptcy Court;
- (ii) the Confirmation Order, in form and substance reasonably acceptable to the Debtors and the Committee, shall be a Final Order;
- (iii) the Liquidating Trust Agreement, in form and substance reasonably acceptable to the Debtors and the Committee, shall have been executed by the parties thereto;
- (iv) all actions, documents and agreements necessary, in the judgment of the Debtors, to be taken and effected, or executed and delivered, as the case may be, to implement and consummate the provisions of the Plan to be effectuated on or prior to the Effective Date shall be reasonably satisfactory to the Debtors, and such actions, documents and agreements shall have been taken, effected, executed and delivered to the satisfaction of the Debtors; and
- (v) the conditions in the Scheme of Arrangement (except for the effectiveness of the Plan) shall have been satisfied or waived in accordance with the provisions of the Scheme of Arrangement.

C. Waiver of Conditions.

The Debtors, with the written approval of the Committee, which approval shall not unreasonably be withheld, may waive any of the conditions to Confirmation of the Plan and/or to Consummation of the Plan set forth in Sections IX.A and IX.B hereof, respectively, at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than the Debtors proceeding to seek Confirmation or Consummation, as the case may be. The failure to satisfy any condition to Confirmation or to the Effective Date may be asserted by

the Debtors, regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors). The failure of the Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right, which may be asserted at any time.

D. Effect of Non-Occurrence of Conditions to Consummation.

In the event that one or more of the conditions specified in Section IX.B of the Plan have not occurred (or been waived) on or before 120 days after the Confirmation Date, upon notification submitted by the Debtors to the Bankruptcy Court and counsel to the Committee, (a) the Confirmation Order shall be vacated, (b) the Plan shall be null and void in all respects, (c) no Distributions under the Plan shall be made, (d) the Debtors and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the Confirmation Date as though the Confirmation Date never had occurred, (e) the Debtors' obligations with respect to the Claims and Equity Interests shall remain unchanged as though the Confirmation Date never had occurred, and (f) nothing contained herein or in the Disclosure Statement shall (i) constitute or be deemed a waiver or release of any Claims by or against, or Equity Interests in, the Debtors or any other Person or Entity, (ii) prejudice in any manner the rights of the Debtors or any Person or Entity in any further proceedings involving the Debtors, or (iii) constitute an admission, acknowledgment, offer or undertaking by the Debtors in any respect.

ARTICLE X.

EFFECT OF PLAN CONFIRMATION

A. Subordination.

The classification and manner of satisfying all Claims and Equity Interests and the respective Distributions and treatment under the Plan take into account and/or conform to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code or otherwise, and any and all such rights are settled, compromised and released pursuant to the Plan. The Confirmation Order shall permanently enjoin, effective as of the Effective Date, all Persons and Entities from enforcing or attempting to enforce any such contractual, legal and equitable subordination rights satisfied, compromised and settled pursuant to this Section X.A.

B. Release by the Debtors.

On the Effective Date, each of the Debtors, on behalf of itself and its Estate, shall be deemed unconditionally and irrevocably to release (i) the Ad Hoc Committee and, solely in their capacity as members of the Ad Hoc Committee (and not as individual Creditors of the Debtors), each member of the Ad Hoc Committee, (ii) the Committee and, solely in their capacity as members of the Committee (and not as individual Creditors of the Debtors), each member of the Committee; (iii) the JPLs, (iv) each of the respective agents, advisors, accountants, investment bankers, consultants, attorneys and other representatives of any of the Persons or Entities

described in clauses (i), (ii) and (iii) of this Section X.B or of the Debtors, solely in their respective capacities as such, and only with respect to their activities and conduct relating to the Debtors (whether before or after the Petition Date) and the Chapter 11 Cases, and (v) in consideration of their service to the Debtors, the directors, officers and employees of the Debtors who were employed by, or who served, the Debtors during the pendency of the Chapter 11 Cases from any and all claims, obligations, rights, suits, judgments, damages, causes of action, remedies and liabilities whatsoever (other than the right to enforce the performance of their respective obligations, if any, to the Debtors under the Plan, the Liquidating Trust Agreement and any other contract, instrument, release or other agreement executed in connection with the Plan), whether known or unknown, foreseen or unforeseen, whether fixed or contingent, whether liquidated or unliquidated, then existing or thereafter arising, in law, equity or otherwise, that the Debtors or their Estates would have been legally entitled to assert (whether individually or collectively), based in whole or in part upon any act or omission, transaction, agreement, event or other occurrence taking place on or before the Effective Date (whether before or after the Petition Date) in any way relating or pertaining to (v) the Debtors, (w) the respective business operations of the Debtors, (x) the Chapter 11 Cases, (y) the negotiation, formulation, dissemination, solicitation, preparation, implementation, administration, Confirmation or Consummation of the Plan, the Scheme of Arrangement or any related agreements, instruments or other documents or (z) the Disclosure Statement.

C. Injunction Related to Releases.

The Confirmation Order shall constitute an injunction permanently enjoining the commencement or prosecution by any Entity, whether directly, derivatively, or otherwise, of any claim, demand, suit, liability, obligation, debt, damage, right, cause of action, interest, or remedy released or to be released pursuant to the Plan.

D. Preservation of Causes of Action.

On the Effective Date, except as otherwise provided in the Plan or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code, the Causes of Action that the Debtors or the Estates may hold against any Person or Entity shall be Liquidating Trust Assets, and the Liquidating Trustee shall have and may exclusively enforce, as the authorized representative of the Liquidating Trust, any and all claims, rights and Causes of Action that the Debtors or the Estates may hold against any Person or Entity. The Liquidating Trustee may pursue the Causes of Action in accordance with the best interests of the Liquidating Trust and shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all such claims, rights and Causes of Action without the consent or approval of any third party and without any further order of the Bankruptcy Court.

E. Exculpation.

As of the Effective Date, none of (i) the Debtors and their respective present and former officers, directors and employees, (ii) the Committee, (iii) the JPLs, (iv) the Liquidating Trustee, (v) the accountants, financial advisors, investment bankers and attorneys for the Debtors, solely in their capacities as such and (vi) the directors, officers, partners, members, employees, agents,

representatives, accountants, financial advisors, investment bankers or attorneys of any of the Persons or Entities described in clauses (ii) through (iv) of this Section X.E, solely in their capacities as such, shall have or incur any liability to any Person or Entity by reason of any claim, cause of action or other assertion of liability for any act taken or omitted to be taken on or after the Petition Date in connection with, arising out of, or related to (i) the Chapter 11 Cases, (ii) the Bermuda Proceedings, (iii) the negotiation, formulation, preparation, dissemination, solicitation, implementation, administration, Confirmation or Consummation of the Plan or the Scheme of Arrangement, (iv) the Disclosure Statement, (v) any contract, instrument, release, agreement or document created or entered into in connection with the Plan (except for any obligations arising in the ordinary course of business), (vi) any action or act taken or omitted to be taken in connection with the Chapter 11 Cases or (vii) any of the settlements and compromises reflected in the Plan (collectively, the **“Precluded Claims”**), and in all respects shall be entitled reasonably to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan and the Scheme of Arrangement; *provided, however*, that the foregoing provisions of this Section X.E shall have no effect on the liability of any Person or Entity that results from any such act or omission that is determined by a Final Order to have constituted gross negligence, bad faith, fraud or willful misconduct.

F. Injunction.

Except as provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons and Entities that have held, currently hold or may hold a Claim against or an Equity Interest in one or both of the Debtors, and all other parties in interest in the Chapter 11 Cases, together with their respective present or former employees, agents, officers, directors or principals, are permanently enjoined from, directly or indirectly, taking any of the following actions against the Debtors, the Estates, the Liquidating Trustee, the Liquidating Trust, the Committee, the JPLs or any property of such Persons or Entities, on account of any such Claim, Equity Interest or Precluded Claim: (a) commencing or continuing in any manner any action or other proceeding of any kind to collect or recover any property on account of any such Claim, Equity Interest or Precluded Claim; (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order to collect or recover any property on account of any such Claim, Equity Interest or Precluded Claim; (c) creating, perfecting or enforcing any lien or encumbrance on account of any such Claim, Equity Interest or Precluded Claim; (d) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors, the Estates or their respective property; (e) commencing or continuing any action, in any manner and in any forum, that does not comply with or is inconsistent with the provisions of the Plan; and (f) taking any action to interfere with the implementation or consummation of the Plan or the Scheme of Arrangement; *provided, however*, that nothing herein shall prohibit any Claimant from prosecuting a proof of claim in the Chapter 11 Cases.

By accepting Distributions pursuant to the Plan, each holder of an Allowed Claim shall be deemed to have consented to the release, exculpation and injunctions set forth in this Article X.

G. Term of Injunctions or Stays.

Unless otherwise provided in the Plan or the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under Bankruptcy Code sections 105 or 362 or otherwise, and extant on the Confirmation Date, shall remain in full force and effect until the Effective Date. To the extent that any injunction or stay is provided under the Plan or the Confirmation Order, it shall remain in full force and effect until all property of the Estates of the Debtors has been distributed and the Debtors have been dissolved.

H. Discharge.

Pursuant to section 1141(d)(3) of the Bankruptcy Code, Confirmation will not discharge Claims against the Debtors; *provided, however*, that no holder of a Claim against any Debtor, may, on account of such Claim, seek or receive any payment or other distribution from, or seek recourse against, any Debtor or any of their affiliates, each of their respective successors or their respective property, except as expressly provided herein.

ARTICLE XI.

RETENTION OF JURISDICTION

A. Bankruptcy Court.

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising in, arising under or related to the Chapter 11 Cases for, among other things, the following purposes:

(a) To hear and determine any dispute arising under the Sale Agreement and all matters arising in connection with the interpretation, implementation or enforcement of the Approval Order;

(b) To allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the allowance or priority of Claims;

(c) To grant or deny any applications for allowance of Professional Fees and reimbursement of expenses of members of the Committee authorized under sections 330, 331 or 503(b) of the Bankruptcy Code or the Plan for periods ending on or before the Effective Date; *provided, however*, that, from and after the Effective Date, the payment of fees and expenses (including attorneys' fees) of the Liquidating Trustee shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

(d) To consider and adjudicate the compromise and settlement of any and all Claims or causes of action, including the Causes of Action, asserted by or against the Debtors or the Liquidating Trustee, as the case may be;

- (e) To resolve any matters related to the assumption, assumption and assignment, or rejection of any executory contract or unexpired lease to which a Debtor is a party or with respect to which a Debtor may be liable and to hear, determine and, if necessary, liquidate, any Claims arising therefrom;
- (f) To ensure that Distributions to holders of Allowed Claims are accomplished in accordance with the provisions of the Plan;
- (g) To decide or resolve any motions, adversary proceedings, contested or litigated matters and grant or deny any applications involving any Debtor that may be pending on the Effective Date;
- (h) To enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Plan and all contracts, instruments, releases, indentures and other agreements or documents created in connection with the Plan or the Disclosure Statement;
- (i) To resolve any cases, controversies, suits or disputes that may arise in connection with Consummation, interpretation or enforcement of the Plan or any contract, instrument, release or other agreement or document that is executed or created pursuant to the Plan or any Person's or Entity's rights arising from and obligations incurred in connection with the Plan or such documents;
- (j) To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in the Plan, including any exhibit thereto, or in any order of the Bankruptcy Court, including the Confirmation Order, as may be necessary to carry out the purposes and intent of the Plan and to implement and effectuate the Plan;
- (k) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person or Entity with Consummation, implementation or enforcement of the Plan, except as otherwise provided herein;
- (l) To resolve any cases, controversies, suits or disputes with respect to the releases, injunction and other provisions contained in Article X and enter such orders as may be necessary or appropriate to implement such releases, injunction and other provisions;
- (m) To enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;
- (n) To determine any other matters that may arise in connection with the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;
- (o) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan, the Confirmation

Order, any transactions or Distributions contemplated hereby or any agreement, instrument or other document governing or relating to any of the foregoing;

(p) To hear and resolve any cases, controversies, objections, contested matters and adversary proceedings commenced by or on behalf of the Debtors or relating to the Causes of Action;

(q) To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including matters with respect to any taxes payable by a reserve established in furtherance of the Plan);

(r) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;

(s) To issue such orders as may be necessary or appropriate in aid of execution of the Plan, in accordance with Bankruptcy Code section 1142, Confirmation and to facilitate Consummation of the Plan;

(t) To hear and determine all matters related to (i) the property of the Estates from and after the Confirmation Date, (ii) the winding up of the Debtors' affairs and (iii) the activities of the Liquidating Trustee, including (A) challenges to or approvals of the Liquidating Trustee's activities, (B) resignation, incapacity or removal of the Liquidating Trustee and selection of a successor Liquidating Trustee, (C) reporting by, termination of and accounting by the Liquidating Trustee; (D) release of the Liquidating Trustee from its duties; and (E) any other matters that may arise under or in connection with the Liquidating Trust Agreement.

(u) To resolve any Disputed Claims;

(v) To hear and determine such other matters as maybe provided in the Confirmation Order or as may be authorized under the Bankruptcy Code;

(w) To enter an order closing the Chapter 11 Cases.

B. No Limitation on Bermuda Court.

Notwithstanding the foregoing, nothing in this Article XI shall be construed as a limitation on the jurisdiction of the Bermuda Court in the Bermuda Proceedings or in respect of the Scheme of Arrangement.

ARTICLE XII.

MODIFICATION AND REVOCATION OF THE PLAN

A. Modification of the Plan.

The Plan Proponents reserve the right to amend or modify the Plan or any exhibits or schedules thereto under Bankruptcy Code section 1127(a) at any time before the Confirmation

Date. After the Confirmation Date and before “substantial consummation” of the Plan (as defined in Bankruptcy Code section 1101(2)), the Plan Proponents may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan or the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of the Plan.

B. Revocation of the Plan.

The Plan Proponents reserve the right to revoke or withdraw this Plan prior to the Confirmation Date. If the Plan Proponents revoke or withdraw this Plan prior to the Confirmation Date, or if Confirmation or Consummation of the Plan as to any or all of the Debtors does not occur, then, with respect to such Debtor(s), (a) the Plan shall be deemed null and void in all respects, (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void, and (c) nothing contained in the Plan shall (i) constitute or be deemed a waiver or release of any Claims by or against, or any Equity Interests in, such Debtors or any other Person, (ii) prejudice in any manner the rights of such Debtors or any other Person, or (iii) constitute an admission, acknowledgment, offer or commitment of any sort by the Debtors or any other Person. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claims by or against the Debtors or any other Person or prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

A. Payment of Statutory Fees.

All fees payable pursuant to 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on or before the Effective Date. After the Effective Date, the Liquidating Trustee shall pay, prior to the closing of the Chapter 11 Cases, in accordance with the Bankruptcy Code and the Bankruptcy Rules, all fees payable pursuant to 28 U.S.C. § 1930 which accrue after the Effective Date through and including the closing of the Chapter 11 Cases.

B. Governing Law.

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent a schedule or exhibit hereto or instrument, agreement or other document executed under the Plan provides otherwise, this Plan, the rights, duties and obligations arising under this Plan, and any claim or controversy directly or indirectly based upon or arising out of this Plan or the transactions contemplated by this Plan (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall be governed by and interpreted, construed and determined in accordance

with, the internal laws of the State of New York (without regard to any conflicts of law provision that would require the application of the law of any other jurisdiction).

C. Corporate Action.

Prior to, on and after the Effective Date, all matters provided for under the Plan that otherwise would require approval of the shareholders or directors of one or more of the Debtors shall be deemed to have occurred and shall be in effect prior to, on and after the Effective Date pursuant to the applicable general corporation law of the jurisdiction in which the Debtors are incorporated without any requirement of further action by the shareholders or directors of the Debtors.

D. Severability of Plan Provisions.

If, prior to Confirmation, any term or provision of this Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision then will be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

E. Successors and Assigns.

The Plan shall be binding on, and shall inure to the benefit of the Debtors, and their respective successors and assigns, including the Liquidating Trustee. The rights, benefits and obligations of any Person or Entity named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person or Entity.

F. Reservation of Rights.

Except as expressly set forth herein, this Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order and the Effective Date shall have occurred. Neither the filing of this Plan, any nor statement or provision contained herein, nor the taking of any action by the Debtors with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of the Debtors prior to the Effective Date. If the Plan is not confirmed by a Final Order, or if the Plan is confirmed and does not become effective, the rights of all parties in interest in the Chapter 11 Cases are and shall be reserved in full. Any concessions or settlements reflected herein, if any, are made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Chapter 11 Cases shall be bound or deemed prejudiced by any such concession or settlement.

G. Section 1146 Exemption.

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of any Security under the Plan, or the making or delivery of an instrument of transfer under, in furtherance of, or in connection with, this Plan, including any merger agreements, agreements of consolidation, restructuring, disposition, liquidation or dissolution, deeds, bills of sale, and transfers of tangible property shall not be taxed under any law imposing a stamp tax, recording tax, personal property tax, real estate transfer tax, sales or use tax or other similar tax. Unless the Bankruptcy Court orders otherwise, all sales, transfers and assignments of owned and leased property approved by the Bankruptcy Court on or prior to the Effective Date shall be deemed to have been in furtherance of, or in connection with, the Plan. It is the intent of this Plan that the benefits and effects of section 1146(c) of the Bankruptcy Code shall apply to the transactions described in and contemplated by the Plan, including the Asia Netcom Transaction, to the fullest extent permitted by law.

H. Further Assurances.

Each of the Debtors and the Liquidating Trustee (on and after the Effective Date) is authorized to execute, deliver, file or record such contracts, agreements, instruments, releases and other documents and take or cause to be taken such action as may be necessary or appropriate to effectuate, implement and further evidence the terms, provisions and intent of this Plan and to consummate the transactions and transfers contemplated by the Plan.

I. Notice and Service of Documents.

All notices, requests and demands required or permitted to be provided to the Debtors, the Committee or the Liquidating Trustee under the Plan shall be in writing and shall be deemed to have been duly given or made (a) when actually delivered (i) by certified mail, return receipt requested, (ii) by hand delivery or (iii) by U.S. mail, postage prepaid or, (b) in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors (prior to the Effective Date):

Asia Global Crossing Ltd
11150 Santa Monica Boulevard, Suite 420
Los Angeles, California 90025
Attn: Charlie Carroll
General Counsel

With a copy to:

Richard F. Casher, Esq.
Kasowitz, Benson, Torres & Friedman LLP
1633 Broadway
New York, New York 10019

If to the Committee:

Evan D. Flaschen, Esq.
Christopher S. Snow, Esq.
Bingham McCutchen LLP
One State Street
Hartford, Connecticut 06103

If to the Liquidating Trustee:

[To Be Provided]

J. Conflicts.

To the extent any provision of the Disclosure Statement or any instrument, document or agreement executed in connection with the Plan or the Confirmation Order (or any exhibits, schedules, appendices, supplements or amendments to the foregoing) conflicts with or is in any way inconsistent with the terms of the Plan, the terms and provisions of the Plan shall govern and control.

K. Plan Supplement.

Not later than ten (10) days prior to the Confirmation Hearing Date, the Plan Proponents shall File with the Bankruptcy Court in the Plan Supplement such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan, including draft forms of the Liquidating Trust Agreement. Upon its Filing with the Bankruptcy Court, the Plan Supplement may be inspected in the office of the Clerk of the Bankruptcy Court during normal business hours. Holders of Claims or Equity Interests may obtain a copy of the Plan Supplement upon written request to Debtors' counsel in accordance with Section XIII.I of the Plan. The forms of agreements and other documents Filed in the Plan Supplement are drafts and are subject to revision from time to time to reflect the evolving deal points negotiated by the parties thereto.

L. Indenture Trustee Fees and Expenses and Charging Lien.

1. Amount of Claim for Indenture Trustee Fees.

Notwithstanding any other provisions of this Plan, in full and complete settlement, satisfaction and release of (i) the Indenture Trustee's Claim under the Senior Note Indenture for Indenture Trustee Fees, whether incurred before or after the Petition Date, and (ii) the Indenture Trustee's entitlement, if any, to the Indenture Trustee Charging Lien under the Senior Note Indenture, subject to the provisions of this Section XIII.L, the Indenture Trustee shall be paid a sum, in Cash, equal to the least of (x) the amount of such Claim, as set forth in the statement to be Filed by the Indenture Trustee pursuant to the provisions of this Section XIII.L, (y) \$200,000, or (z) the amount of such Claim for Indenture Trustee Fees approved by the Bankruptcy Court following the Filing of an objection to such Claim in the manner set forth in this Section XIII.L,

and any Indenture Trustee Charging Lien held, or claimed to be held, by the Indenture Trustee shall be deemed released and discharged on the Effective Date.

2. Statement of Indenture Trustee Fees; Procedure for Resolution of Objections.

On the Confirmation Hearing Date, the Indenture Trustee shall File a statement setting forth the aggregate amount of Indenture Trustee Fees incurred to date and reasonably projected by it, in good faith, to be incurred through the Effective Date. On or before the second Business Day following entry of the Confirmation Order, the Indenture Trustee shall submit to respective counsel for the Debtors and the Committee, and any party in interest submitting to the Indenture Trustee and its counsel a written request therefor, reasonable documentation in support of such Indenture Trustee Fees, whether incurred before or after the Petition Date. In the event that the Debtors, the Committee or any party in interest shall File an objection to such Indenture Trustee Fees within fifteen (15) days after submission by the Indenture Trustee of such documentation, the Indenture Trustee Fees shall be subject to approval of the Bankruptcy Court, which shall, after notice and a hearing, evaluate such Indenture Trustee Fees for reasonableness. The Indenture Trustee's Claim for Indenture Trustee Fees shall not be subject to the additional standards set forth in section 503(b) of the Bankruptcy Code. Upon entry of an order by the Bankruptcy Court Allowing all or a portion of the Indenture Trustee Fees, the Allowed Indenture Trustee Fees shall be treated as an Allowed Administrative Claim and shall be paid in full, in Cash, by the Liquidating Trustee on the Distribution Date. In the event that neither the Debtors nor any party in interest shall File an objection to the Indenture Trustee Fees within such fifteen (15) day period, such Indenture Trustee Fees shall be treated as an Allowed Administrative Claim and shall be paid, in full, in Cash, as soon as practicable after the later of (i) the Effective Date or (ii) the expiration of such fifteen-day period.

M. Determination of Tax Liability.

The Debtors or the Liquidating Trustee, as the case may be, are authorized to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtors for all taxable periods ending after the Petition Date through and including the Effective Date.

N. Substantial Consummation.

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

O. Employment and Payment of Liquidating Trustee's Professionals after Effective Date.

The Liquidating Trustee may employ and pay professional advisors, including any Professionals retained in the Chapter 11 Cases, with respect to services to be rendered after the Effective Date (and after the Confirmation Date to the extent provided in Section V.D), including services in connection with the implementation and consummation of the Plan, without further order of the Bankruptcy Court.

P. Retention of Debtors' Books and Records.

The Liquidating Trustee shall retain a copy of the Debtors' books, records and files in existence on the Effective Date, whether in written or electronic form, until the later of (i) the second anniversary of the final Distribution of Available Cash under the Plan or (ii) such time as the Liquidating Trustee determines in good faith, after taking into account applicable law governing the retention of such books, records and files and the Liquidating Trustee's need for such books, records and files in connection with the administration of the Liquidating Trust, that such retention no longer is necessary or required. Such books and records shall be stored at a secure facility which is in the business of document storage and retention. Any fees and expenses incurred in connection with the retention of such books and record shall be paid from the Operating Reserve.

Dated: May 1, 2003

ASIA GLOBAL CROSSING LTD.

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

ASIA GLOBAL CROSSING
DEVELOPMENT CO.

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

Counsel:

/s/ Richard F. Casher
David M. Friedman (DF-4278)
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Debtors-in-Possession