

DATED 8 FEBRUARY 2011

THE TREASURER OF THE COMMONWEALTH OF
THE BAHAMAS

and

CWC BAHAMAS HOLDINGS LIMITED

and

CABLE & WIRELESS COMMUNICATIONS PLC

and

CABLE & WIRELESS (WEST INDIES) LIMITED

AGREEMENT

relating to

the sale and purchase of 51% of the issued share capital in
The Bahamas Telecommunications Company Limited

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SCHEDULE 8 - PRO-FORMA STATEMENTS etc.

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THIS AGREEMENT is made on 8 FEBRUARY

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BETWEEN:

- (1) **THE TREASURER OF THE COMMONWEALTH OF THE BAHAMAS** a Corporation Sole constituted and existing by virtue of the Ministry of Finance Act (Chapter 23, Statute Laws of The Bahamas 2000 Revised Edition) and currently located at Water Tower Place, North Building, East Street, P. O. Box N-7524, Nassau, New Providence, The Bahamas (the "**Vendor**");
- (2) **CWC BAHAMAS HOLDINGS LIMITED** an international business corporation limited by shares incorporated under the laws of the Commonwealth of The Bahamas with registered number 161078B whose registered office is at Fort Nassau Centre, Marlborough Street, P.O. Box N-4875, Nassau, New Providence, the Commonwealth of The Bahamas (the "**Purchaser**");
- (3) **CABLE & WIRELESS COMMUNICATIONS PLC** a company limited by shares incorporated under the laws of England and Wales with registered number 07130199 whose registered office is at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ (the "**Consideration Guarantor**"); and
- (4) **CABLE & WIRELESS (WEST INDIES) LIMITED** a company limited by shares incorporated under the laws of England and Wales with registered number 00011116 whose registered office is at 3rd Floor, 26 Red Lion Square, London WC1R 4HQ (the "**Continuing Guarantor**").

RECITALS:

- (A) The Bahamas Telecommunications Company Limited (the "**Company**") is a private company limited by shares incorporated in the Commonwealth of The Bahamas ("**The Bahamas**") further information about which is contained in Schedule 1.
- (B) The Government of The Bahamas (the "**Government**") stated in the Electronic Communications Sector Policy dated 6 October 2009 (for the purposes of these recitals, the "**Sector Policy**") that (a) it intended to introduce competition in the cellular communications market, with such competition to commence 24 months from the date of the privatisation of the Company; and (b) the Government intended to amend the Communications Act 2009 accordingly.
- (C) The Government has since announced its intention to introduce competition to the cellular communications market in accordance with a new timeline such that, inter alia, any external process for issuing any new cellular licence would not be launched before three years from the date of the privatisation of the Company, it being the Government's intention that this new timeline be incorporated into an amended Sector Policy and into proposed amendments to the Communications Act that will be tabled before the Parliament of The Bahamas (as defined below).
- (D) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined below) subject to and on the following terms and conditions.
- (E) The Consideration Guarantor has agreed to guarantee the obligation of the Purchaser to pay the Consideration (as defined below).
- (F) The Continuing Guarantor has agreed to guarantee the obligations of the Purchaser, other than the obligation to pay the Consideration, under this Agreement.

IT IS AGREED as follows:

1 **INTERPRETATION**

1.1 **Definitions**

In this Agreement unless the context otherwise requires:

“Accounting Methodology”

means IFRS (as in effect on the Balance Sheet Date) methods and practices utilised in preparing the Audited Accounts, applied on a consistent basis (except for the absence of footnotes required by IFRS, if any), consistency to include the same principles, policies, practices, methodologies and classifications; provided, however, that to the extent that consistency is not in accordance with IFRS, then IFRS shall apply, and the “Accounting Methodology” shall be adjusted to take into account the fact that IFRS applies with respect to such conflict, solely for the purpose of clause 4, as if prepared in accordance with IFRS;

“Agreement”

means this agreement and all schedules and appendices to this agreement;

“Applicable Law”

means any law, regulation, directive, decree, policy and other legislation or enactment whatsoever in each case having the force of law or any requirement, decision of or contractual obligation owed to an applicable regulatory authority;

“Audited Accounts”

means the audited balance sheet of the Company made up as at the Balance Sheet Date and the audited profit and loss account of the Company for the year ended on that date, and the notes, reports, statements and other documents which are annexed to the accounts of the Company, a copy of which has been initialled by or on behalf of the Vendor and the Purchaser for the purpose of identification;

“Auditors”

means PricewaterhouseCoopers of Providence House, East Hill Street, Nassau, New Providence, The Bahamas;

“Balance Sheet Date”

means 31 December 2009;

“Business Plan”

means the business plan in relation to the Company, in the agreed form, in respect of the first five years following the Completion Date;

“Business Warranties”

means the Warranties, other than the Title Warranties;

“Business Warranty Claim”

means any claim by the Purchaser in respect of any of the Business Warranties;

“Cash”

means the cash or cash equivalents owned by the Company in hand or at bank (in any currency, and whether on deposit or in current account and including, in each case, interest accrued thereon to Completion), and the Company's marketable (being liquid, realisable) securities and other liquid investments, in each case as at Completion, but excluding any Restricted Cash as at Completion, all such amounts to be determined by the Company's reconciled accounting records (and therefore taking account of, inter alia, unrepresented or uncleared cheques issued by the Company prior to Completion and unrepresented or uncleared cheques in favour of the Company received prior to Completion);

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“Cellular Licence”

means a licence for any Radiocommunications service the functionality of which enables continuous communication across boundaries between the different areas of radio coverage, with no perceptible interruption of such communication and which includes a handover process between elements of its network, and in respect of which the Minister has functions conferred by section 30(1) of the Communications Act 2009;

“Claim Amount”

has the meaning given to such term in paragraph 1.1 of Schedule 7;

“Communications (Amendment) Bill”

means the Communications (Amendment) Bill, 2011, in the initialled form;

“Company”

has the meaning given to such term in Recital (A);

“Comparable Guarantor”

means a Qualifying CWC Group Member which is of similar (or better) financial standing as the Continuing Guarantor;

“Completion”

means completion of the sale and purchase of the Sale Shares as contemplated in clause 5;

“Completion Date”

means the date on which Completion takes place;

“Completion Statements”

has the meaning given to such term in clause 4.2;

“Conditions”

means the conditions precedent set out in clause 3.1;

“Consideration”

means the purchase price referred to in clause 4.1.1 as adjusted pursuant to clause 4.3;

“Contractual Documents”

has the meaning given to such term in clause 20.1.1;

“Corporate Performance Reports”

means the monthly corporate performance reports of the Company for the period from the Balance Sheet Date up to, and including, 31 December 2010;

“Current Proceedings”

means the proceedings commenced in the Supreme Court on 11 January, 2011 by The Bahamas Communications and Public Officers Union and The Bahamas Communications and Public Managers Union against The Bahamas Telecommunications Corporation, the Company, Julian W. Francis and the Attorney General of the Commonwealth of The Bahamas (including as such proceedings may be amended (but deriving from the original cause of action) or appealed from time to time);

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“CWC Support Services Agreement”

means the know-how and special projects agreement and trade mark licence (in the agreed form) between CWI HQ and the Company;

“CWI Caribbean”

means CWI Caribbean Limited, a company registered and incorporated in Barbados with its registered office at Windsor Lodge, Government Hill, St. Michael, Barbados;

“CWI HQ”

means Cable & Wireless International HQ Limited, a company incorporated in England and Wales with registered number 5921847 of 3rd floor, 26 Red Lion Square, London WC1R 4HQ;

“Data Room”

means the electronic room which has been made available to the Purchaser prior to Completion;

“Debt”

means the Financial Indebtedness of the Company at Completion;

“Disclosed”

means fairly disclosed to the Purchaser with sufficient detail to allow a purchaser, having knowledge of the communications industry in the Caribbean region, similar to that of the Purchaser's Group, to properly consider and understand the nature and scope of the relevant matters, facts or circumstances;

“Disclosure Letter”

means the letter of even date from the Vendor to the Purchaser in respect of the Warranties;

“Encumbrance”

means any interest of any person including, without prejudice to the generality of the foregoing, any fixed security, debenture, mortgage, charge, assignation, pledge, deposit by way of security, bill of sale, lease, hire-purchase, credit-sale and other agreements for payment on deferred terms, right to acquire, option, lien or right of pre-emption, security interest, title retention or other right of retention or any other security agreement or arrangement whatsoever;

“Excess Net Cash”

means a situation where the Net Cash is greater than the Target Net Cash;

“Excess Net Working Capital”

means a situation where the Net Working Capital is greater than the Target Net Working Capital (including where the Net Working Capital is a lesser negative amount);

“Facility Agreement”

means the term loan facility agreement dated 18 November 2005 between the Company and SG Hambros Bank & Trust (Bahamas) Limited, Citibank N.A. Nassau, Bahamas Branch, Scotiabank (Bahamas) Limited and FirstCaribbean International Bank (Bahamas) Limited;

“Final Order”

means an order from which there is no right of appeal;

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“Financial Indebtedness”

means, as at Completion, all borrowings and other financial indebtedness including any overdraft, acceptance credit or similar facilities, loan stocks, bonds, debentures, notes, debt or inventory financing, finance leases or sales and lease back arrangements, any net position in derivative financial instruments, any other arrangements the purpose of which is to borrow money, and all interest accrued thereon to Completion, but excluding normal trade credit;

“Force Majeure”

means any act, event, omission or cause or circumstance whatsoever beyond the reasonable control of a party, including without limitation, the following:

- (a) earthquakes, flood, windstorm, hurricanes, fog and other extreme adverse weather;
- (b) outbreak of hostilities, riot, civil disturbance, acts of terrorism;
- (c) fire, explosion or malicious damage;
- (d) collapse of buildings, power failure, failure of telecommunication lines, failure or breakdown of plant, machinery or vehicles;
- (e) epidemic or pandemic; or
- (f) strike, lock-out or industrial action of any kind;

“Government”

has the meaning given to such term in Recital (B);

“Governmental Body”

means any governmental body (corporate or otherwise), department, board, authority or agency of The Bahamas, or any body corporate or partnership controlled by the Government excluding for the avoidance of doubt URCA and any other regulatory body;

“IFRS”

means the accounting standards issued by the International Accounting Standards Board from time to time;

“Independent Accountant”

has the meaning given to such term in clause 4.3.3;

“Intellectual Property”

means all inventions (whether patentable or not), patents, utility models, designs (both registered and unregistered), copyright, database rights, trade and service marks (both registered and unregistered) together with all applications for, rights to the grant of and extensions of the same, and all other intellectual and industrial property including but not limited to all similar or analogous rights throughout the world (excluding, for the avoidance of doubt, domain names), in each case for the full term of the relevant right;

“Intellectual Property Rights”

means all Intellectual Property that is owned by the Company (whether or not used by the Company in its business) and including without limitation the trade marks that are listed in Schedule 2;

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“Interest Rate”

means the British Bankers’ Association LIBOR rate for 12 months in US\$ quoted on the last preceding date for which a rate is available, and quoted on the British Bankers’ Association website or published by the Financial Times;

“LIME Support Services Agreement”

means the agreement in respect of the provision of support services to the Company (in the agreed form) between CWI Caribbean and the Company;

“Long Stop Date”

has the meaning given to such term in clause 3.2.1;

“Material”

means, where used as a capitalised term only in each of paragraphs 4.1.2, 4.2.1, 4.2.5, 6.2.3, 7.2.1, 7.2.2, 7.4.1, 7.4.2, 8.4, 11.2.2, 11.2.3, 11.3.4 and 12.1.2 of Schedule 6 and paragraph 3.5 of Part 2 of Schedule 7, material in the context of the Company’s business taken as a whole;

“Material Purchaser Obligations”

means the obligations of the Purchaser at Completion stated in clause 5.5: (a) to telegraphically transfer the Consideration; and (b) to deliver, give or make available to the Vendor the duly executed counterparts referred to in clause 5.5.2;

“Material Vendor Obligations”

means the obligations of the Vendor at Completion to deliver the items listed in paragraphs 1, 2, 3, 6, 7, 9, 10, 11 and 12 of Schedule 5;

“Mobile Speech Communications Service”

any Radiocommunications service the functionality of which enables continued use of speech communications across boundaries between the different areas of radio coverage, with no perceptible interruption of such services and which, for the avoidance of doubt, includes a handover process between elements of its network;

“Net Cash”

means the Cash less the Debt;

“Net Cash Shortfall”

means a situation where the Net Cash is less than the Target Net Cash;

“Net Working Capital”

means the Company’s current assets (excluding Cash and Restricted Cash but including those items referred to as current assets in Schedule 8, Table 1) less its current liabilities (excluding any item considered in the calculation of Financial Indebtedness but including those items referred to as current liabilities in Schedule 8, Table 1) as at Completion;

“Net Working Capital Shortfall”

means a situation where the Net Working Capital is less than the Target Net Working Capital (including where the Net Working Capital is a greater negative amount);

“New Memorandum and Articles”

means the new Memorandum and Articles of Association of the Company to be adopted on Completion;

“Outstanding Government Receivables”

means those receivables due to the Company from the Vendor or any other Governmental Bodies which have been due for 30 days or more as at Completion;

“Pension Scheme”

means the pension scheme, short particulars of which are set out in Schedule 3;

“Permit”

means an authorisation, certificate, approval, permit, licence, registration or consent;

“Press Announcements”

means the press announcements to be issued, in the agreed form, including through the regulatory news service (RNS) on or after the date of this Agreement;

“Privatisation Bill”

means the Privatisation of The Bahamas Telecommunications Company Limited Bill, 2011, in the initialled form;

“Proceedings”

has the meaning given to such term in clause 25.1;

“Pro-Forma Completion Statements”

means the pro-forma completion statements set out in column (2) of Table 1 and in column (2) of Table 2 in Schedule 8;

“Properties”

means the properties, short particulars of which are set out in Parts 1 and 2 of Schedule 4;

“Proposed Substitute”

has the meaning given to such term in clause 10.1.2;

“Purchaser’s Group”

means the Purchaser, any parent company of the Purchaser and/or any subsidiary of the Purchaser or of any parent company of the Purchaser;

“Purchaser’s Solicitors”

means Slaughter and May of One Bunhill Row, London, EC1Y 8YY;

“Qualifying CWC Group Member”

means:

- (a) the Consideration Guarantor;
- (b) another member of the Purchaser’s Group whose entire issued share capital is, directly or indirectly, legally and beneficially owned by the Consideration Guarantor; or

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(c) such other member of the Purchaser's Group as the Vendor may approve in writing;

"Radiocommunications"

means the transmission, emission or reception of messages, sound, visual images or signals using electromagnetic waves which are propagated in space and having frequencies of lower than 3,000 GHz;

"Regulatory Payment"

means any payment to the Purchaser pursuant to clause 12.1;

"Regulatory Payment Claims"

means any claim by the Purchaser pursuant to clause 12.1;

"Regulatory Undertakings"

means the undertakings given by the Vendor to the Purchaser in clause 5.9.1;

"Regulatory Undertakings Claim"

means any claim by the Purchaser in respect of any breach by the Vendor of any of the Regulatory Undertakings;

"Relevant Capex Accrual"

means the aggregate amount set out in column (7) of Table 4 of Schedule 8, as determined in accordance with clauses 4.2 and 4.3 and that Table 4;

"Relevant Claim"

means any claim (whether in contract, tort or otherwise) by the Purchaser in respect of the Agreement including, for the avoidance of doubt, Business Warranty Claims, Title Warranty Claims and Regulatory Undertakings Claims and any claim pursuant to the indemnity in clause 6.8.2;

"Relevant Dividend"

means an in specie dividend of receivables (including privatisation costs receivables) due to the Company from the Vendor or other Governmental Bodies (together with excess Cash) provided that any such dividend is in accordance with Applicable Law and would not reasonably be expected to cause there to be a shortfall in the Target Net Working Capital and the Target Net Cash, in aggregate, as at Completion;

"Restricted Cash"

means, as at Completion, any cash, cash equivalents, marketable (being liquid, realisable) securities and other liquid investments, which are:

- (a) restricted in their use; or
- (b) not available for general operations or to satisfy current liabilities (including any monies ring-fenced for self-insurance purposes),

but not, for the avoidance of doubt, cash held as collateral pursuant to the terms of the Facility Agreement;

"Sale Shares"

means 129,878,640 ordinary shares of B\$1.00 each in the capital of the Company;

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“Sector Policy”

means the revised electronic communications sector policy in the initialled form;

“Shareholders’ Agreement”

means the shareholders’ agreement in the agreed form to be entered into between the Vendor, the Company, the Purchaser and the Continuing Guarantor on Completion;

“Shares”

means 254,664,000 ordinary shares of B\$1.00 each in the capital of the Company;

“Substitution Deed”

has the meaning given to such term in clause 10.2.4;

“Substitution Event”

has the meaning given to such term in clause 10.1;

“Substitution Notification”

has the meaning given to such term in clause 10.1.2;

“Sum Recovered”

has the meaning given to such term in paragraph 6.2 of Part 2 of Schedule 7;

“Target Net Cash”

means the sum of B\$15,000,000;

“Target Net Working Capital”

means the sum of B\$6,100,000 (being the level of Net Working Capital that the Parties consider appropriate for the ongoing operation of the Company);

“Taxation” or “Tax”

means all forms of tax levy, duty, charge, deposit, contribution, withholding or holding by way of taxation whether chargeable and whether of The Bahamas or elsewhere and any interest, penalties, fines, surcharges, charges or costs relating thereto;

“Tax Authority”

means the Secretary for Revenue (as defined in the Business Licence Act (Chapter 329, Statute Laws of The Bahamas 2000 (Revised Edition)) and any other governmental, state, federal, principal, local government or municipal authority or body or official whether of The Bahamas or elsewhere in the world competent to impose, administer or collect Tax;

“The Bahamas”

has the meaning given to such term in Recital (A);

“Third Party Action”

means any action which may lead to:

- (a) any order made by a court of competent jurisdiction;
- (b) any order or decision made or given by a competent supranational, governmental or regulatory authority (other than URCA) or agency (including any Governmental Body);
or

(c) any enactment of any legislative body,

which, if given, may materially prohibit, restrict or adversely affect completion of any of the transactions contemplated by, or otherwise adversely affect or restrict any of the rights or obligations of the Vendor or the Purchaser contemplated by, made or arising under, this Agreement;

“Title Warranties”

means the Warranties set out in paragraph 1 of Schedule 6;

“Title Warranty Claim”

means any claim by the Purchaser in respect of any of the Title Warranties;

“URCA”

means the Utility Regulation and Competition Authority;

“URCA Conditions”

has the meaning given to such term in clause 3.1.3;

“URCA (Amendment) Bill”

means the Utilities Regulation and Competition Authority (Amendment) Bill, 2011, in the initialled form;

“Vendor’s Bahamian Counsel”

means Higgs & Johnson of Ocean Centre, Montagu Foreshore, East Bay Street, P.O. Box N-3247, Nassau, The Bahamas;

“Vendor’s Solicitors”

means Charles Russell LLP of 5 Fleet Place, London EC4M 7RD, United Kingdom;

“Voluntary Workforce Restructuring”

means the proposed voluntary restructuring of the Company’s workforce to be undertaken as soon as is reasonably practicable following Completion which is planned to be completed prior to the first anniversary of Completion as set out in the Voluntary Workforce Restructuring Plan;

“Voluntary Workforce Restructuring Plan”

means the plan in the agreed form outlining the terms of a voluntary workforce restructuring to be undertaken by the Company (as may be amended from time to time with the written consent of the Vendor and the Purchaser);

“Warranties”

means the warranties given by the Vendor set out in Schedule 6; and

“Warranty Claim”

means any claim (whether in contract, tort or otherwise) by the Purchaser in respect of any of the Warranties.

1.2 Interpretation and Construction

1.2.1 In this Agreement, unless otherwise specified or the context otherwise requires:

(a) words importing the singular only shall include the plural and vice versa;



- (b) words importing the whole shall be treated as including a reference to any part thereof;
- (c) words importing any gender shall include all other genders;
- (d) reference to a Schedule, clause or Appendix is to the relevant Schedule, clause or Appendix of this Agreement;
- (e) reference to this Agreement or to any other document is a reference to this Agreement or to that other document as modified, amended, varied, supplemented, assigned, novated or replaced from time to time;
- (f) reference to any provision of law is a reference to that provision as modified or re-enacted from time to time, and any past statute or statutory provision which that statute or provision has directly or indirectly replaced, except to the extent that any modification or re-enactment takes effect after the date of this Agreement and has the effect of increasing or extending any obligation or liability or otherwise adversely affecting the rights of any party to this Agreement; and
- (g) reference to any statutory provision is a reference to any subordinate legislation made under that provision from time to time, except to the extent that any such subordinate legislation which takes effect after the date of this Agreement has the effect of increasing or extending any obligation or liability or otherwise adversely affecting the rights of any party to this Agreement.

1.2.2 Headings used in this Agreement shall not affect its construction or interpretation.

1.2.3 Obligations and liabilities assumed by more than one person in this Agreement are assumed severally unless otherwise specified.

1.3 Other references

In this Agreement a reference to:

- 1.3.1 a document being "**in the agreed form**" means that it shall be in the form agreed by the Vendor's Solicitors and the Purchaser's Solicitors on or before the date of this Agreement and signed or initialled by or on behalf of the Vendor and the Purchaser;
- 1.3.2 a document being "**in the initialled form**" means that it shall be in the form signed or initialled by or on behalf of the Vendor and the Purchaser for the purpose of identification;
- 1.3.3 "**in writing**" or "**written**" includes faxes and any non-transitory form of visible reproduction or words but excludes electronic mail and text messaging via mobile phone;
- 1.3.4 "**B\$**" means Bahamian dollars;
- 1.3.5 a "**business day**" means any day which is not a Saturday, a Sunday or a public holiday in The Bahamas or London, England;
- 1.3.6 a "**company**" includes any body corporate, wherever incorporated;
- 1.3.7 "**control**":
 - (a) in relation to a company, means the power of a person to ensure that the affairs of such company are conducted in accordance with the wishes of that person, and a person shall be deemed to have control of a company if that person possesses or is entitled to acquire the majority of the issued share capital or the voting rights in that company or the right to receive the

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majority of the income of that company on any distribution by it of all of its income or the majority of its assets on a winding up; and

(b) in relation to a partnership, means the right for a share of more than one-half of the assets, or more than one-half of the income of such partnership;

1.3.8 the word "**including**" shall be construed as being by way of illustration or emphasis and not as a word limiting the generality of the preceding words;

1.3.9 "**parent company**" means a company that owns at least 50% of the outstanding voting shares of each class or series of shares in another company;

1.3.10 a "**person**" includes any individual, firm, company, corporation, body corporate, government, state or agency of state, trust or foundation, or any association, partnership or unincorporated body of two or more of the foregoing (whether or not having separate legal personality and wherever incorporated or established);

1.3.11 a "**subsidiary**" means a company at least 50% of whose outstanding voting shares of each class or series of shares are owned, directly or indirectly, by another company; and

1.3.12 "**US\$**" means US dollars.

2 **AGREEMENT FOR SALE**

2.1 **Sale and purchase**

Subject to the terms and conditions of this Agreement, the Vendor shall sell, as legal and beneficial owner and the Purchaser shall purchase, as at the Completion Date, the Sale Shares. The Sale Shares shall be sold and purchased free from all Encumbrances and with all rights attaching thereto as at the Completion Date.

2.2 **Waiver of rights**

The Vendor hereby waives or agrees to procure the waiver of any pre-emption rights which may exist in relation to the Sale Shares pursuant to the articles of association or similar constitutional documents of the Company or otherwise.

3 **CONDITIONS**

3.1 **Conditions**

Completion is in all respects conditional upon each of the following (to the extent not satisfied prior to the date of this Agreement):

3.1.1 The Bahamas' House of Assembly approving the transactions contemplated by this Agreement;

3.1.2 The Central Bank of The Bahamas approving the transactions contemplated by this Agreement;

3.1.3 URCA approving in writing the change in control of the Company:

(a) in accordance with section 75 the Communications Act 2009;

(b) under the Individual Operating Licence granted to the Company on 23 November 2009; and

(c) under the Individual Spectrum Licence granted to the Company on 23 November 2009,

(together the "**URCA Conditions**");

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- 3.1.4 the coming into force of Part I (Preliminary) and Part IV (Funding of the BTC Pension Plan) of the Privatisation Bill and sections 1, 2, 3, 7 and 8 to the Communications (Amendment) Bill, save for any solely drafting or other insignificant changes (and the Vendor and the Purchaser acknowledge and agree that any changes to any of, or which affect any of, the provisions in italics in either of such Bills would not be solely drafting changes or insignificant);
- 3.1.5 the publication of the Sector Policy;
- 3.1.6 the approval of the National Economic Council of The Bahamas;
- 3.1.7 the issuance of a Permit to the Purchaser by the Bahamas Investment Authority under the International Persons Landholding Act;
- 3.1.8 no order or ruling of a court of competent jurisdiction having been made in respect of the Current Proceedings which:
 - (a) prohibits, restricts or adversely affects completion of the sale of the Sale Shares contemplated by this Agreement;
 - (b) adversely affects or restricts any of the rights of the Purchaser in respect of its ownership of and/or title to the Sale Shares arising under this Agreement;
 - (c) prohibits, restricts or adversely affects the Company's ownership of and/or title to its assets; or
 - (d) imposes a damages award against the Purchaser or the Company;
- 3.1.9 there is no material substantive deterioration, in the reasonable opinion of the Purchaser (having consulted with the Vendor), in the Current Proceedings; and
- 3.1.10 the Grand Bahama Port Authority Limited ("**GBPA**") approving in writing the change in beneficial ownership of the Company pursuant to this Agreement as required by, and for the purpose of, the licence granted by GBPA and pursuant to which the Company provides services in the port area of Freeport, Grand Bahama.

3.2 **Satisfaction of the Conditions**

- 3.2.1 The Vendor and the Purchaser shall use reasonable endeavours to ensure (so far as they are able and recognising in particular that (a) neither the Vendor nor the Purchaser can make any commitments on behalf of URCA; and (b) neither the Vendor nor the Purchaser shall be required to give any commitments as to prices, services obligations or other customer terms or other undertakings to URCA (or any other person) or commit to URCA to do anything inconsistent with the Business Plan) that the Conditions are fulfilled as soon as possible and in any event on or prior to 8 May 2011 (the "**Long Stop Date**") and shall promptly provide each other with such information as may be reasonably required to ensure that the Conditions are fulfilled. Without prejudice to the generality of the foregoing, the Vendor hereby undertakes to use its reasonable endeavours to procure the enactment of: (i) Part II (Vesting of Property in BTC), Part III (Real Property Tax), Part V (Dissolution of The Bahamas Telecommunications Corporation) and Part VI (Repeals) of the Privatisation Bill; (ii) sections 4, 5, 6 and 9 of the Communications (Amendment) Bill; and (iii) the URCA (Amendment) Bill, and to procure execution of the relevant parties of the conveyances referred to in section 4(2) of the Privatisation Bill.
- 3.2.2 The Purchaser and the Vendor shall:
 - (a) notify URCA of the proposed change in control of the Company within 7 days of the date of this Agreement (to the extent not notified prior to the date of this Agreement); and

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(b) pay in equal proportions the fee of B\$35,000 payable to URCA in respect of the merger control notification referred to in clause 3.1.3(a).

3.2.3 Each of the Vendor and the Purchaser undertakes to disclose in writing to the other anything which will or may prevent any of the Conditions being satisfied on or prior to the Long Stop Date as soon as reasonably practical after it comes to its attention.

3.2.4 As soon as reasonably practicable after fulfilment (or, where applicable, waiver in accordance with clause 3.3) of the Conditions in clauses 3.1.1, 3.1.2, 3.1.3(b), 3.1.3(c), 3.1.4, 3.1.5, 3.1.6 and 3.1.10 the Vendor will promptly notify such fulfilment (or, as appropriate, waiver) to the Purchaser in writing.

3.2.5 As soon as reasonably practicable after fulfilment of the Conditions in clauses 3.1.3(a) and 3.1.7, the Purchaser will promptly notify such fulfilment to the Vendor in writing.

3.3 Waiver of the Conditions

The Vendor reserves the right to waive the satisfaction of the Conditions in clause 3.1.1, 3.1.2 and 3.1.6 provided that no such waiver shall be permitted if the failure to satisfy such Condition would constitute a breach of Applicable Law. The Purchaser reserves the right to waive the satisfaction of the Conditions in clauses 3.1.4, 3.1.5, 3.1.8, 3.1.9 and 3.1.10 provided that no such waiver shall be permitted if the failure to satisfy such Condition would constitute a breach of Applicable Law.

3.4 Failure to satisfy or waive the Conditions

If any of the Conditions has not been fulfilled or, if applicable, waived by the Long Stop Date (or such later date as may be agreed in writing by the Vendor and the Purchaser) then, without prejudice to the accrued rights of the parties arising under any provision of this Agreement, and except for the provisions of clauses 1 (Interpretation), 16 (Announcements), 17 (Confidentiality), 18 (Costs), 20 (Entire Agreement), 22 (Notices), 24 (Invalidity), 25 (Waiver of Sovereign Immunity), 26 (Governing Law) and 27 (Jurisdiction), which shall continue in full force and effect, either party may terminate this Agreement by notice in writing to the other party with effect from the date of receipt of such notice.

4 PURCHASE CONSIDERATION AND PRICE ADJUSTMENT

4.1 Consideration

4.1.1 The aggregate purchase price for the Sale Shares shall be the sum of US\$210,000,000 to be satisfied in cash in full upon Completion.

4.1.2 The purchase price referred to in clause 4.1.1 shall be subject to adjustment as described in clause 4.3.

4.1.3 Any payment made by either the Vendor or the Purchaser under this Agreement shall (so far as possible) be treated as an adjustment to the Consideration to the extent of the payment.

4.2 Completion Statements

As soon as reasonably practicable following Completion, the Purchaser and the Vendor shall use their respective reasonable endeavours to procure that the Auditors shall, not more than 45 days after the Completion Date, deliver to the Vendor and the Purchaser statements (the "Completion Statements") setting forth:

4.2.1 the Net Working Capital; and

4.2.2 the Net Cash,

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together with all relevant working papers (including the completed Table 4 referred to in the next following sentence) supporting the Completion Statements. As soon as reasonably practicable following Completion, the Purchaser and the Vendor shall use their respective reasonable endeavours to procure that the Company completes column (7) of Table 4 of Schedule 8, in the manner described in that Table 4, and delivers such completed Table 4 to the Auditors for the purpose of completing the Completion Statements. The Completion Statements shall be prepared on a basis consistent with the Pro-Forma Completion Statements and in accordance with the Accounting Methodology, it being agreed by the parties that the Completion Statements in respect of Net Working Capital shall include the Relevant Capex Accrual.

4.3 Net Working Capital Net Cash adjustment

- 4.3.1 Unless within 30 days after receipt of the Completion Statements pursuant to clause 4.2, either the Purchaser or the Vendor notifies the other in writing of any disagreement relating to either or both of the Completion Statements, the parties shall be deemed to have accepted that the Completion Statements are correct and they shall be binding and final on the parties for the purposes of this Agreement. If either the Vendor or the Purchaser notifies the other of such a disagreement it shall give particulars of the adjustments (including details of the items disputed and the reasons for dispute).
- 4.3.2 If within the period of 30 days referred to in clause 4.3.1 either the Purchaser or the Vendor notifies the other party of any disagreement relating to either or both of the Completion Statements, the Vendor and the Purchaser shall respectively use reasonable endeavours to resolve such disagreement within 10 business days after such notification. If agreement is reached, the relevant Completion Statement(s) shall be adjusted (if required) in writing to reflect such agreement.
- 4.3.3 If the Vendor and the Purchaser are unable to reach agreement within 10 business days after such notification, the matter in dispute shall be referred to the decision of an internationally recognised firm of accountants (the "**Independent Accountant**") agreed between the Vendor and the Purchaser or, in the absence of such agreement, appointed at the instance of either of them by the Chairman for the time being of the International Chamber of Commerce. The item or items in dispute in the relevant Completion Statement(s) shall be notified to the Independent Accountant as soon as practicable and, in any event, within 10 business days of his appointment.
- 4.3.4 The Independent Accountant shall act as expert and not as an arbitrator.
- 4.3.5 The decision of the Independent Accountant shall be final and binding on the parties (and deemed agreed), save in respect of fraud or manifest error.
- 4.3.6 The costs of the Independent Accountant shall be borne equally between the Vendor and the Purchaser (unless the Independent Accountant decides otherwise on the merits of the disagreement, the Vendor and the Purchaser directing the Independent Accountant to consider this in making its decision as to the disagreement or difference of opinion).
- 4.3.7 Each party shall procure (so far as it is able to do so) that such of the books, records, calculations and employees of the Company and the working papers of their accountants are made available to the Independent Accountant together with access to such premises and the use of such facilities as may reasonably be required to carry out the tasks which this Agreement contemplates it will carry out.
- 4.3.8 The Net Working Capital and the Net Cash for the purposes of this Agreement shall be:
- (a) the Net Working Capital and the Net Cash as stated in the relevant Completion Statement; or

- (b) if either the Purchaser notifies the Vendor or the Vendor notifies the Purchaser in accordance with clause 4.3.1 of any disagreement or difference of opinion relating to either Completion Statement and such disagreement is resolved in accordance with clause 4.3.2, the Net Working Capital or, as the case may be, the Net Cash shall be as stated in the relevant Completion Statement adjusted to take account of any such disagreement, as so resolved; or
- (c) if any matter is referred to the Independent Accountant in accordance with clause 4.3.3, the Net Working Capital or, as the case may be, the Net Cash as stated in the relevant Completion Statement shall be adjusted to take account of any disagreement (to the extent any such disagreement is resolved in accordance with clause 4.3.2) and adjusted to reflect any determination of the Independent Accountant.

4.3.9 Upon the agreement or determination of the Net Working Capital and the Net Cash, the parties shall forthwith complete column (2) of Table 3 of Schedule 8 and sign and date such page of this Agreement where indicated, and:

- (a) if there is a Net Working Capital Shortfall, then the Vendor shall pay to the Purchaser within 10 business days of such agreement or determination an amount in cash equal to 51% of the difference between the Target Net Working Capital and the Net Working Capital together with interest at the Interest Rate for the period from Completion to the date of actual payment;
- (b) if there is Excess Net Working Capital, then the Purchaser shall pay to the Vendor within 10 business days of such agreement or determination an amount in cash equal to 51% of the difference between the Target Net Working Capital and the Net Working Capital together with interest at the Interest Rate for the period from Completion to the date of actual payment;
- (c) if there is Excess Net Cash, then the Purchaser shall pay to the Vendor within 10 business days of such agreement or determination an amount in cash equal to 51% of the difference between the Target Net Cash and the Net Cash together with interest at the Interest Rate for the period from Completion to the date of actual payment; and
- (d) if there is a Net Cash Shortfall, then the Vendor shall pay to the Purchaser within 10 business days of such agreement or determination an amount in cash equal to 51% of the difference between the Target Net Cash and the Net Cash together with interest at the Interest Rate for the period from Completion to the date of actual payment.

4.3.10

- (a) Subject to clause 4.3.11, if:
 - (i) the Vendor is obliged to make a payment to the Purchaser under clause 4.3.9 (a "**Vendor Payment**") whilst at the same time being due a payment from the Purchaser under such clause (a "**Purchaser Payment**"); and
 - (ii) the amount of the Purchaser Payment is in excess of the amount of the Vendor Payment,

then the Vendor shall have no obligation to make a payment under clause 4.3.9 and the Purchaser shall, when making its payment under such clause, deduct, by way of set-off, from the amount of the Purchaser Payment an amount equal to the Vendor Payment.

- (b) Subject to clause 4.3.11, if:

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- (i) the Vendor is obliged to make a Vendor Payment whilst at the same time being due a Purchaser Payment; and
- (ii) the amount of the Purchaser Payment is less than the amount of the Vendor Payment,

then the Purchaser shall have no obligation to make a payment under clause 4.3.9 and the Vendor shall, when making its payment under such clause, deduct, by way of set off, from the amount of the Vendor Payment an amount equal to the Purchaser Payment.

4.3.11 Notwithstanding anything to the contrary in clause 4.3.10, neither the Vendor nor the Purchaser shall be obliged to make any payment under such clause if the amount otherwise payable is less than US\$50,000.

4.4 **Accounts for Payment**

Any payment under this clause 4 to the Vendor shall be made by telegraphic transfer in cleared funds in accordance with clause 5.5.1 and any payment to the Purchaser shall be made by telegraphic transfer in cleared funds to such account as shall be specified by it in writing to the Vendor. If any such sum is not paid on the date it is fully due, being 10 business days after the agreement or determination of the Net Working Capital and the Net Cash, such sum shall bear interest (which shall accrue from day to day after as well as before any judgment for the same) at a rate equal to 2% above the Interest Rate from the date such payment becomes due to the date of such payment (such interest to be compounded monthly).

5 **SIGNING AND COMPLETION**

5.1 **Vendor's obligations upon execution of this Agreement**

Upon execution of this Agreement the Vendor shall deliver, give or make available to the Purchaser:

- 5.1.1 the original of the Disclosure Letter duly executed by the Vendor;
- 5.1.2 a countersigned copy of the Voluntary Workforce Restructuring Plan; and
- 5.1.3 a countersigned copy of the Business Plan.

5.2 **Purchaser's obligations upon execution of this Agreement**

Upon execution of this Agreement the Purchaser shall deliver, give or make available to the Vendor:

- 5.2.1 a counterpart original Disclosure Letter duly executed by the Purchaser;
- 5.2.2 a signed copy of the Voluntary Workforce Restructuring Plan; and
- 5.2.3 a signed copy of the Business Plan.

5.3 **Date and place of Completion**

Completion shall take place at the offices of the Vendor's Bahamian Counsel:

- 5.3.1 if all of the Conditions are satisfied and/or waived and each of the Vendor and the Purchaser (as the case may be) has received notice of the satisfaction or waiver of the Conditions prior to 21 February 2011, at 2pm (Nassau time) on 28 February 2011;
- 5.3.2 if not all of the Conditions are satisfied and/or waived, and/or such satisfaction or waiver is not notified, prior to 21 February 2011, but all of the Conditions are satisfied and/or waived prior to 28 March 2011 (and each of the Vendor and the

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Purchaser (as the case may be) has received notice of the satisfaction or waiver of the Conditions prior to 28 March 2011), at the opening of business (Nassau time) on 4 April 2011; or

- 5.3.3 if not all of the Conditions are satisfied and/or waived, and or such satisfaction or waiver is not notified, prior to 28 March 2011, at 2pm (Nassau time) on the fifth business day after each of the Vendor and the Purchaser (as the case may be) has received notice of the satisfaction or waiver of the Conditions,

or at such other location or such later date as the Vendor and the Purchaser may agree in writing. For the avoidance of doubt, for the purposes of the Completion Statements and the definitions of "Cash", "Debt", "Financial Indebtedness", "Net Working Capital", "Outstanding Government Receivables", "Relevant Dividend" and "Restricted Cash", Completion shall be deemed to take place:

- (a) where Completion takes place pursuant to clause 5.3.1 or clause 5.3.3, at the close of business on the Completion Date;
- (b) where Completion takes place pursuant to clause 5.3.2, at the opening of business on the Completion Date; and
- (c) otherwise, at such time on the Completion Date as the Vendor and the Purchaser may agree in writing.

5.4 Vendor's obligations at and following Completion

At Completion the Vendor shall:

- 5.4.1 deliver, give or make available (in the case of the documents referred to in paragraph 8 of Schedule 5, at the principal office of the Company) to the Purchaser the documents listed in Schedule 5 (Completion Documents);
- 5.4.2 procure that a board meeting of the Company is held at which it shall be resolved that:
 - (a) (subject only to the payment of any stamp duty payable in respect of the transfers of shares envisaged by this Agreement) the transfer in respect of the Sale Shares be approved for registration, that the transferee shall be registered immediately as the holder of the Sale Shares in the Company's register of members, that the existing share certificates in respect of the Sale Shares shall be cancelled and that share certificates in respect of the Sale Shares be executed by the Company in the name of, and delivered to, the Purchaser;
 - (b) the resignations of the relevant directors and secretary of the Company be tabled and approved;
 - (c) the persons notified to the Vendor by the Purchaser prior to Completion be appointed directors of the Company;
 - (d) the person notified to the Vendor by the Purchaser prior to Completion be appointed as the secretary of the Company;
 - (e) all existing instructions to banks shall be revoked and new instructions shall be given to such banks in such form as the Purchaser may direct; and
- 5.4.3 procure that the New Memorandum and Articles are adopted.

5.5 Purchaser's obligations at Completion

At Completion the Purchaser shall, subject to compliance by the Vendor with the obligations set out in clause 5.4:

- 5.5.1 telegraphically transfer the Consideration referred to in clause 4.1.1 to the Vendor's bank account details of which shall be notified in writing by the Vendor to the Purchaser not less than 3 business days prior to the proposed Completion Date;
- 5.5.2 deliver, give or make available to the Vendor a counterpart original Shareholders' Agreement duly executed by the Purchaser and the Continuing Guarantor, together with counterparts of the CWC Support Services Agreement and LIME Support Services Agreement duly executed by CWI HQ and CWI Caribbean respectively; and a certificate of the directors of the Purchaser, in the agreed form, confirming the ownership of the Purchaser as at the date of this Agreement and Completion.

5.6 Failure to comply

If, in any respect, the Material Vendor Obligations or the Material Purchaser Obligations (or any of them) are not complied with on the date specified in clause 5.3, the party not in default shall not be obliged to complete this Agreement and may (without prejudice to its rights under, or in respect of, this Agreement):

- 5.6.1 defer Completion (so that the provisions of this clause 5 shall apply to Completion so deferred);
- 5.6.2 proceed to Completion as far as practicable (but not including completion of a sale and purchase of some only of the Sale Shares);
- 5.6.3 waive all or any element of the relevant Material Vendor Obligation (if the Vendor is the defaulting party) or the relevant Material Purchaser Obligation (if the Purchaser is the defaulting party) at its discretion by means of a notice to that effect in writing served on the other; or
- 5.6.4 terminate this Agreement. except for the provisions of clauses 1 (Interpretation), 16 (Announcements), 17 (Confidentiality), 18 (Costs), 20 (Entire Agreement), 22 (Notices), 24 (Invalidity), 25 (Waiver of Sovereign Immunity), 26 (Governing Law) and 27 (Jurisdiction), which shall continue in full force and effect, by notice in writing served on the defaulting party with effect from the date of receipt of such notice.

5.7 Sale of all Sale Shares

The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed simultaneously and in accordance with this Agreement.

5.8 Pre-completion undertakings

- 5.8.1 Pending Completion and subject to clause 5.8.3, the Vendor shall:
 - (a) ensure that the Company shall carry on its business as carried on at the date of this Agreement in the ordinary and usual course and, without prejudice to the generality of the foregoing, the matters listed in clause 5.8.2 shall require the prior written consent of the Purchaser; and
 - (b) give, or procure to be given, to the Purchaser and its advisers, copies of such financial and other information regarding the businesses, assets, liabilities, contracts and affairs of the Company as the Purchaser may reasonably require, together with reasonable access on reasonable notice and during normal working hours to the management of the Company and the premises from which the Company operates.
- 5.8.2 The Company shall not prior to Completion, without the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed:

- (a) grant, allot or issue, or agree to grant, allot or issue, any shares or any other securities or grant or agree to grant rights which confer on the holder any rights to subscribe for or acquire any shares or other securities;
- (b) declare, authorise pay or make any dividend (in cash or in specie) or other distribution other than the Relevant Dividend;
- (c) resolve to change its name or to alter its memorandum or articles of association or adopt or pass further regulations or resolutions inconsistent therewith;
- (d) repay, redeem or reduce any of its share capital;
- (e) propose or pass any shareholder resolutions that the Company will be voluntarily wound-up or to capitalise any profits or any sum standing to the credit of the share premium account or the capital redemption reserve fund or any other reserve;
- (f) acquire (whether by one transaction or by a series of transactions) the shares or any other securities of any person or the whole or a substantial or material part of the business, undertaking or assets of any other person or any assets, business or undertaking in each case which has an aggregate value in excess of B\$250,000;
- (g) dispose of or agree to dispose of any material part of the Company's assets, business or undertaking which has an aggregate value in excess of B\$100,000;
- (h) permit any of its insurances to lapse or do anything to make any policy of insurance void or voidable;
- (i) engage or offer to engage any new employee or consultant at an annual salary or fee per employee or consultant (on the basis of full time employment or consultancy) in excess of B\$50,000 per annum;
- (j) dismiss any employee earning in excess of B\$50,000 per annum by the Company, other than for cause;
- (k) make any amendment, including any increase in emoluments (including, without limitation, pension contributions, bonuses, commissions and benefits in kind), to or to enter or vary any agreement or arrangement in respect of, the terms of employment of any category of employees of the Company;
- (l) alter, amend or discontinue the Pension Scheme other than as set out in the Shareholders' Agreement;
- (m) give any substantive undertakings or commitments to URCA;
- (n) save as set out in the Voluntary Workforce Restructuring Plan, make any material change in the nature or organisation of its business;
- (o) incorporate any new subsidiary;
- (p) discontinue or cease to operate all or a material part of its business;
- (q) enter into or vary any agreement with the Government or any agency or authority thereof which has a value in excess of B\$100,000 or is otherwise than: (i) in the ordinary course of business and (ii) on arm's length terms;
- (r) enter into any contract for goods or services (a) to be provided by the Company having a value in excess of B\$1,000,000 or (b) to be provided to the Company having a value in excess of B\$250,000;

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- (s) assign or terminate any contract for goods or services of a value in excess of B\$100,000;
- (t) enter into any agreement pursuant to which any person is or may become entitled to any commission or bonus payable by the Company in respect of any of the transactions contemplated by this Agreement;
- (u) enter into any joint venture, co-operation, consortium, partnership or similar agreement other than in the ordinary course of its business;
- (v) enter into any derivative or hedging contract;
- (w) make or commit to make any expenditure on capital items other than as set out in Table 4 of Schedule 8;
- (x) grant any guarantee or indemnity for the obligations of any person;
- (y) create or permit to be created any new Encumbrance over any material part of the Company's assets, business or undertaking;
- (z) make any loan in excess of B\$100,000 (other than the granting of trade credit in the ordinary course of business) to any person;
- (aa) enter into any borrowing in excess of B\$100,000 (other than the receipt of trade credit in the ordinary course of business or pursuant to and in accordance with the limits subsisting at the date of this Agreement);
- (bb) make any change to the Accounting Methodology by reference to which the Audited Accounts were drawn up or any change to its accounting reference date; or
- (cc) enter into any agreement or commitment to do anything or pass any resolution to do anything which if done or omitted to be done would be in breach of any of the foregoing provisions of this clause 5.8.2.

5.8.3 The provisions of clauses 5.8.1 and 5.8.2 shall not prevent any capital expenditure permitted by clause 5.8.2(w).

5.9 Regulatory Undertakings

5.9.1 The Vendor hereby undertakes to the Purchaser that:

- (a) no external process, to the extent controlled (directly or indirectly) by the Government or any Governmental Body, for granting a second Cellular Licence (including but not limited to the Government's determination of the method for allocation of the premium spectrum band, any public consultation by, or on behalf of, the Government or any Governmental Body with respect to the licensing process or bidding charter or guidelines and the issuing by, or on behalf of, the Government or any Governmental Body of any prequalification documentation to any third party) shall be launched prior to the third anniversary of Completion;
- (b) no third Cellular Licence shall be issued prior to the fifth anniversary of Completion; and
- (c) prior to the fifth anniversary of Completion, no Cellular Licence shall be issued before the Government's determination of the method of allocation of the premium spectrum band.

5.9.2 The Vendor and the Purchaser acknowledge and agree that:

- (a) URCA is a third party not directly or indirectly controlled by the Government and is therefore external to the Government; and

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- (b) The Vendor shall not be in breach of the Regulatory Undertakings or liable under clause 12 in respect of the issue of licences that have been issued by URCA prior to the coming into force of sections 1, 2, 3, 7 and 8 of the Communications (Amendment) Bill provided that such licences do not permit the provision of any Mobile Speech Communications Service.

5.10 Third Party Action

If any Third Party Action is anticipated, threatened or taken, the Purchaser and the Vendor shall promptly meet to discuss the situation and the appropriate action to be taken as a result.

5.11 Capital Expenditure and Outstanding Government Receivables

The Vendor shall procure that the Government and the relevant Governmental Bodies shall pay to the Company the Outstanding Government Receivables (after distribution or payment of the Relevant Dividend, if any) in full by the first anniversary of Completion in twelve equal monthly instalments, save that to the extent that the Outstanding Government Receivables (after distribution or payment of the Relevant Dividend, if any) exceed B\$5,000,000, an amount equal to such excess will be paid by the Vendor (on behalf of the Government or the relevant Governmental Body) to the Company within 45 days of Completion.

6 WARRANTIES AND INDEMNITY BY THE VENDOR

6.1 Warranties

Subject to the provisions of this clause 6 and clause 11, the Vendor warrants to the Purchaser in the terms of the Warranties as at the date of this Agreement and as at the Completion Date (by reference to the facts and circumstances then subsisting).

6.2 Scope of Warranties

The Purchaser acknowledges and agrees that the Vendor does not give any warranty:

- 6.2.1 in respect of the Intellectual Property Rights or other Intellectual Property save for the Warranties given by the Vendor in paragraph 11.3 of Schedule 6 and each of the other Warranties shall be deemed not to be given in respect of Intellectual Property Rights or other Intellectual Property; and
- 6.2.2 in respect of the Properties save for the Warranties in paragraph 13 of Schedule 6 and each of the other Warranties shall be deemed not to be given in respect of the Properties.

Each of the Warranties shall be construed as a separate and independent warranty and (except where expressly provided to the contrary) shall not be limited or restricted by reference to or inference from the terms of any other warranty.

6.3 Disclosure

The Warranties are given subject to any facts and matters Disclosed in the Data Room or the Disclosure Letter and the Purchaser shall have no claim under the Warranties in relation to any fact or matter so Disclosed.

6.4 Knowledge of the Vendor

Where any Warranty refers to the knowledge, information, awareness or belief of the Vendor, that statement shall be deemed to relate to the state of the actual knowledge (as at the dates on which the Warranties are given) of The Committee for the Privatisation of The Bahamas Telecommunications Company Limited, the directors of the Company and the acting president and chief executive officer, the chief financial officer, the senior vice presidents, the vice presidents of the Company and the other members of the executive management of the Company (as named on its website on 21 January 2011) and neither the Vendor nor such

committee members, directors or officers shall be obliged to enquire of any other person specifically for the purposes of this Agreement.

6.5 Waiver of claims by Vendor

If any claim under the Warranties is made against the Vendor, it shall not be entitled to make any claim against the Company or any director, officer or employee of the Company on whom it may have relied before agreeing to any terms in this Agreement or authorising any statement in the Disclosure Letter or the Data Room.

6.6 Warranties given at date hereof and Completion Date

The Warranties are given as at the date of this Agreement and as at the Completion Date (by reference to the facts and circumstances then subsisting). The Vendor undertakes to disclose in writing to the Purchaser anything which is or may constitute a breach of or be inconsistent with any of the Warranties as soon as reasonably practicable after it comes to the Vendor's notice, both before or at the time of Completion.

6.7 Payments under Warranties to be deemed reduction of consideration

Any amount payable under this Agreement for breach of the Warranties shall be deemed to be a reduction in the Consideration payable for the Sale Shares.

6.8 Indemnity in respect of Current Proceedings

6.8.1 The indemnity set out in clause 6.8.2 shall be conditional upon the occurrence of Completion.

6.8.2 The Vendor shall indemnify the Purchaser and keep the Purchaser indemnified from and against all actions, damages, liabilities, proceedings, claims, demands, costs, losses and expenses (including reasonable legal expenses) incurred or suffered by the Purchaser ("**Loss**") arising from:

- (a) any settlement in breach of clause 6.8.4(d) below; or
- (b) any order of a court of competent jurisdiction in respect of the Current Proceedings which:
 - (i) prohibits, restricts or adversely affects completion of the sale of the Sale Shares contemplated by this Agreement;
 - (ii) adversely affects or restricts any of the rights of the Purchaser in respect of its ownership of and/or title to the Sale Shares;
 - (iii) prohibits, restricts or adversely affects the Company's ownership of and/or title to its assets; or
 - (iv) imposes a damages award against the Purchaser or the Company.

6.8.3 For the avoidance of doubt, if, following Completion, a Final Order of a court of competent jurisdiction in relation to the Current Proceedings, or a settlement in breach of clause 6.8.4(d), affects the Company's ownership of and/or title to its assets or the Purchaser's ownership of and/or title to the Sale Shares:

- (a) the Purchaser may elect, by notice in writing served on the Vendor within 40 days of receipt by the Purchaser of the Final Order, to transfer the Sale Shares to the Vendor; and
- (b) if the Purchaser gives notice in accordance with clause 6.8.3(a), the Vendor shall, at the same time as the Purchaser transfers, as legal and beneficial owner, the Sale Shares to the Vendor (free from all Encumbrances, other than any which may be subsisting as a result of the Final Order), repay to the Purchaser the Consideration together with any

amount paid by the Purchaser in respect of stamp duty payable in accordance with clause 18.2 (to the extent such duty has not previously been repaid to the Purchaser by the relevant authority).

- 6.8.4 The Vendor and the Purchaser agree, in connection with the conduct of the Current Proceedings, that:
- (a) the Vendor shall continue to manage the defence of the Current Proceedings, for and on behalf of itself and the Company, notwithstanding Completion;
 - (b) the Vendor shall consult with the Purchaser on a regular basis concerning the Current Proceedings and the defence thereof and shall give to the Purchaser every reasonable opportunity to comment on the conduct of such defence;
 - (c) the Vendor shall keep the Purchaser informed on a regular basis of the conduct of the Current Proceedings; and
 - (d) the Vendor shall not settle, compromise or admit liability in connection with the Current Proceedings without the prior written consent of the Purchaser, where the terms of such settlement or compromise would have any adverse effect on the Purchaser's ownership of and/or title to the Sale Shares or the Company's ownership of and/or title to its assets or would result in the Purchaser or the Company incurring or suffering any Loss.

7 WARRANTIES OF THE PURCHASER, THE CONSIDERATION GUARANTOR AND THE CONTINUING GUARANTOR

7.1 The Purchaser warrants to the Vendor as follows:

- 7.1.1 it has full power and authority to enter into and perform this Agreement and to enter into and perform any other agreements, documents and/or deeds required to be entered into by the Purchaser in connection with and/or pursuant to this Agreement;
- 7.1.2 this Agreement and any other agreements, documents and/or deeds to be entered into by the Purchaser in connection with and/or pursuant to this Agreement, when executed, will constitute valid and binding obligations on the Purchaser, enforceable in accordance with their respective terms;
- 7.1.3 the execution and delivery of, and the performance by the Purchaser of its obligations under this Agreement, and the other agreements, documents and/or deeds to be entered into by the Purchaser in connection with and/or pursuant to this Agreement, will not:
 - (a) result in a breach of any provisions of the memorandum or articles of association (or any other by-laws or constitutional documents) of the Purchaser; or
 - (b) result in a breach of, and is not inconsistent with or otherwise contravenes, any law, order, judgment or decree of any court or governmental agency to which the Purchaser is a party or by which the Purchaser is subject or bound;
- 7.1.4 the entire issued share capital of the Purchaser is and will at Completion be, directly legally and beneficially owned by the Continuing Guarantor and the entire issued share capital of the Continuing Guarantor is, and will at Completion be, indirectly legally and beneficially owned by the Consideration Guarantor; and
- 7.1.5 the execution and delivery of, and the performance by the Purchaser of its obligations under this Agreement, and the other agreements, documents and/or

deeds to be entered into by the Purchaser in connection with and/or pursuant to this Agreement, do not require any Permit to be granted by, or any filing or registration to be made with, any government, government agency or body or court (save for the approvals referred to in clause 3.1).

- 7.2 The Consideration Guarantor warrants to the Vendor as follows:
- 7.2.1 it has the full power and authority to enter into and perform this Agreement;
 - 7.2.2 this Agreement when executed, will constitute valid and binding obligations of the Consideration Guarantor, enforceable in accordance with its terms;
 - 7.2.3 the execution and delivery of, and the performance by the Consideration Guarantor of its obligations under this Agreement will not:
 - (a) result in a breach of any provisions of the memorandum or articles of association (or any other by-laws or constitutional documents) of the Consideration Guarantor; or
 - (b) result in a breach of, and is not inconsistent with or otherwise contravenes, any law, order, judgment or decree of any court or governmental agency to which the Consideration Guarantor is a party or by which the Consideration Guarantor is subject or bound; and
 - 7.2.4 the execution and delivery of, and the performance by the Consideration Guarantor of its obligations under this Agreement do not require any Permit to be granted by, or any filing or registration to be made with any government, government agency or body or court (save for the approvals referred to in clause 3.1).

- 7.3 The Continuing Guarantor warrants to the Vendor as follows:
- 7.3.1 it has the full power and authority to enter into and perform this Agreement and the Shareholders' Agreement;
 - 7.3.2 this Agreement and the Shareholders' Agreement when executed will constitute valid and binding obligations of the Continuing Guarantor, enforceable in accordance with their respective terms;
 - 7.3.3 the execution and delivery of, and the performance by the Continuing Guarantor of its obligations under this Agreement and the Shareholders' Agreement will not:
 - (a) result in a breach of any provisions of the memorandum or articles of association (or any other by-laws or constitutional documents) of the Continuing Guarantor; or
 - (b) result in a breach of, and is not inconsistent with or otherwise contravenes, any law, order, judgment or decree of any court or governmental agency to which the Continuing Guarantor is a party or by which the Continuing Guarantor is subject or bound; and
 - 7.3.4 the execution and delivery of, and the performance by the Continuing Guarantor of its obligations under this Agreement and the Shareholders' Agreement do not require any Permit to be granted by, or any filing or registration to be made with any government agency or body or court (save for the approvals referred to in clause 3.1).

8 CONSIDERATION GUARANTEE

- 8.1 In consideration of the Vendor entering into this Agreement, the Consideration Guarantor:
- 8.1.1 as principal obligor and not merely as a surety, hereby unconditionally guarantees due and punctual performance by the Purchaser of the Purchaser's obligation to pay the Consideration (including any adjustments thereto) under clause 4 and

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clause 5.5.1 (and as such Consideration may be amended by agreement in writing between the parties in accordance with this Agreement) (the "Guaranteed Obligation"); and

- 8.1.2 undertakes to the Vendor that, if and whenever the Purchaser defaults in the performance of the Guaranteed Obligation, it will on demand duly and promptly perform or procure such performance of such obligation.
- 8.2 The Consideration Guarantor's obligations under this Agreement will not be affected by any act, omission, matter or thing which, but for this clause 8.2, would release, reduce or prejudice any of its obligations under this clause 8 (without limitation and whether or not known to it, the Vendor, the Company or the Continuing Guarantor) including:
 - 8.2.1 any time or indulgence granted to, or composition with, the Purchaser or any other person; or
 - 8.2.2 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any right or remedy against the Purchaser or any other person; or
 - 8.2.3 any legal limitation, disability, incapacity or other circumstances relating to the Purchaser or any other person or any amendment to, or variation of, this Agreement (other than any amendment to the Consideration agreed in writing by all the parties to this Agreement); or
 - 8.2.4 any change in the name or constitution of the Consideration Guarantor or its successors and assigns or its absorption by, or amalgamation with, any other company; or
 - 8.2.5 any unenforceability, illegality or invalidity of the obligation of the Purchaser in respect of the Guaranteed Obligation;

provided that, for the avoidance of doubt, any and all rights and benefits, and any limitations on liability, of the Purchaser set out in this Agreement (as amended or varied in accordance with this Agreement) in respect of the Guaranteed Obligation shall apply equally to the Consideration Guarantor.

- 8.3 The guarantee contained in clause 8.1 is a continuing guarantee and will remain in full force and effect only until the obligation of the Purchaser in respect of the Guaranteed Obligation has been fully performed or discharged.
- 8.4 The Consideration Guarantor hereby waives any rights it may have of first requiring the Vendor to proceed against or enforce any guarantee or security of, or claim for payment from, the Purchaser or any other person in respect of the Guaranteed Obligation.
- 8.5 Until the Guaranteed Obligation has been satisfied in full, the Consideration Guarantor will not exercise any rights that it may have by reason of performance by it of its obligations under this clause 8:
 - 8.5.1 to be entitled to rank as a creditor against the estate or in the liquidation of the Purchaser in priority to, or in a way which reduces the amount otherwise recoverable from such estate or in the liquidation by, the Vendor; or
 - 8.5.2 to receive, claim or have the benefit of any payment or distribution from or on account of the Purchaser or exercise any right of set-off against the Purchaser.

9 CONTINUING GUARANTEE

- 9.1 In consideration of the Vendor entering into this Agreement, the Continuing Guarantor:
 - 9.1.1 as principal obligor and not merely as a surety, hereby unconditionally guarantees due and punctual performance by the Purchaser of all the Purchaser's obligations

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(other than, save as set out in clause 9.5, the Guaranteed Obligation) arising out of, or in connection with, this Agreement (the "**Continuing Guarantor Obligations**"); and

- 9.1.2 undertakes to the Vendor that if, and whenever the Purchaser is in default of any of the Continuing Guarantor Obligations, it will on demand duly and promptly perform or procure such performance of such obligation(s).
- 9.2 The Continuing Guarantor's obligations under this Agreement will not be affected by any act, omission, matter or thing which, but for this clause 9.2, would release, reduce or prejudice any of its obligations under this clause 9 (without limitation and whether or not known to it, the Vendor, the Company or the Consideration Guarantor) including:
- 9.2.1 any time or indulgence granted to or composition with the Purchaser or any other person; or
- 9.2.2 the taking, variation, compromise, renewal or release of, or refusal or neglect to perfect or enforce, any right or remedy against the Purchaser or any other person; or
- 9.2.3 any legal limitation, disability, incapacity or other circumstances relating to the Purchaser or any other person; or
- 9.2.4 any change in the name or constitution of the Continuing Guarantor or its respective successors and assigns or its absorption by or amalgamation with any other company; or
- 9.2.5 any unenforceability, illegality or invalidity of the Purchaser's obligations in respect of the Continuing Guarantor Obligations;
- provided that, for the avoidance of doubt, any and all rights and benefits, and any limitations on liability, of the Purchaser set out in this Agreement (as amended or varied in accordance with this Agreement) in respect of the Continuing Guarantor Obligations shall apply equally to the Continuing Guarantor.
- 9.3 The guarantee contained in clause 9.1 is a continuing guarantee and will remain in full force and effect until all the Purchaser's obligations in respect of the Continuing Guarantor Obligations have been fully performed or been discharged.
- 9.4 If any discharge, release or arrangement in respect of the Continuing Guarantor Obligations is made by the Vendor in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Continuing Guarantor under this clause 9 will continue or be reinstated as if the discharge, release or arrangement had not occurred provided that this clause shall only apply to any avoidance or restoration that occurs within the relevant statutory period.
- 9.5 If any discharge, release or arrangement in respect of the Guaranteed Obligation is made by the Vendor in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then such liability will be reinstated as part of the Continuing Guarantor Obligations as if the discharge, release or arrangement had not occurred and the Continuing Guarantor (and not the Consideration Guarantor) shall assume such liability (which shall, in such circumstances, be deemed to form part of the Continuing Guarantor Obligations) provided that and this clause shall only apply to any avoidance or restoration that occurs within the relevant statutory period.
- 9.6 The Continuing Guarantor hereby waives any rights it may have of first requiring the Vendor to proceed against or enforce any guarantee or security of or claim for payment from the Purchaser or any other person in respect of the Continuing Guarantor Obligations.

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10 **DISPOSAL OF ASSETS BY CONTINUING GUARANTOR**

10.1 Prior to the Continuing Guarantor selling, transferring or otherwise disposing of (whether in a single transaction or series of transactions) substantially all of its assets (a "**Substitution Event**"), it shall:

10.1.1 procure a Comparable Guarantor to act as guarantor under this Agreement in its place as the Continuing Guarantor;

10.1.2 notify the Vendor not less than 20 business days in advance, of the proposed Substitution Event, the intended date of the Substitution Event, the identity of the proposed substitute guarantor (the "**Proposed Substitute**") and the following information (such notification being the "**Substitution Notification**");

(a) the consolidated audited accounts of the Proposed Substitute for the preceding two accounting periods;

(b) evidence that the Proposed Substitute is a Qualifying CWC Group Company; and

(c) such other information relating to the Proposed Substitute available to the Purchaser that the Vendor may reasonably request.

10.2 The Proposed Substitute may only replace the Continuing Guarantor for the purposes of this Agreement:

10.2.1 if the Proposed Substitute is a Comparable Guarantor;

10.2.2 following the expiry of 20 business days from the date of the Substitution Notification (unless the Vendor, prior to the end of such period, notifies the Continuing Guarantor in writing that the Proposed Substitute is a Comparable Guarantor, in which case the Proposed Substitute may replace the Continuing Guarantor immediately following such notification);

10.2.3 prior to the Substitution Event, which must be effected within three months of the end of the 20 business day period referred to in clause 10.2.2; and

10.2.4 if the Proposed Substitute undertakes to comply with the provisions of, and to perform all the obligations of the Continuing Guarantor in, this Agreement by way of entry into a valid, binding and effective deed of adherence to this Agreement (a "**Substitution Deed**").

10.3 Following a Substitution Deed coming into force, references in this Agreement to the Continuing Guarantor shall be read as a reference to the relevant Substitute Guarantor.

10.4 In the event that a Substitution Deed is entered into, the obligations of the original Continuing Guarantor under this Agreement shall terminate with effect from the date on which the Substitution Deed comes into full force and effect.

11 **LIMITATIONS OF LIABILITY**

11.1 **Limitation of Vendor's liability**

The provisions of Schedule 7 shall operate to limit the liability of the Vendor under this Agreement as provided therein.

11.2 **No limitation in case of fraud etc**

The provisions of Schedule 7 shall not operate to limit the liability of the Vendor under or in connection with this Agreement where the liability arises as a result of fraud or wilful misconduct on the part of the Vendor or where a matter has been deliberately concealed or withheld by the Vendor.

12 GRANT OF CELLULAR LICENCE

- 12.1 Subject to clauses 12.2 and 12.3 below, the Vendor hereby undertakes to pay to the Purchaser such amount as is equal to the loss, expense, damage or other liability, (calculated on the same basis as would be used for determining damages for breach of contract) incurred by the Purchaser which arises as a result of:
- 12.1.1 a second Cellular Licence being issued prior to the third anniversary of Completion; and/or
 - 12.1.2 a second and third Cellular Licence being issued prior to the fifth anniversary of Completion.
- 12.2 The maximum aggregate liability of the Vendor under this clause and the Regulatory Undertakings shall be limited to:
- 12.2.1 where one or more additional Cellular Licences are issued prior to the first anniversary of Completion, US\$100,000,000;
 - 12.2.2 where one or more additional Cellular Licences are issued in the period from the first anniversary of Completion up to and including the second anniversary of Completion, US\$80,000,000;
 - 12.2.3 where one or more additional Cellular Licences are issued in the period from the second anniversary of Completion up to and including the third anniversary of Completion, US\$40,000,000; and
 - 12.2.4 where a third Cellular Licence is issued after the third anniversary but prior to the fifth anniversary of Completion, US\$20,000,000.
- 12.3 This clause 12 shall only apply if and to the extent that the rights of the Purchaser in respect of any of the Regulatory Undertakings are or become unenforceable.

13 FURTHER ASSURANCE

- 13.1 Following Completion, the Vendor shall:
- 13.1.1 (at its own cost and expense) do, execute and deliver any such further acts, documents and things required to vest in the Purchaser the beneficial ownership of the Sale Shares free from all Encumbrances; and
 - 13.1.2 provide reasonable assistance to the Company (to the extent that the Vendor is able) in the perfection of title to any of the properties referred to in Part II (Vesting of Property in BTC) of the Privatisation Bill or Part 1B of Schedule 4 of this Agreement, and all third party costs in respect thereof shall be borne by the Company, provided that the Vendor shall, for the avoidance of doubt, not be required to exercise any legislative, regulatory or quasi-judicial powers for these purposes.
- 13.2 The Vendor declares that, subject to and with effect from Completion, the Sale Shares will be held by the Vendor on trust for the Purchaser and that the Vendor from that point onwards will have no further beneficial interest in them.
- 13.3 Subject to and with effect from Completion, the Vendor undertakes to:
- 13.3.1 account to the Purchaser for all dividends and other distributions received in respect of the Sale Shares;
 - 13.3.2 exercise as the Purchaser may from time to time direct all voting and other rights and powers vested in the Vendor as registered holder of the Sale Shares; and
 - 13.3.3 subject to the terms of the Shareholders' Agreement, transfer the Sale Shares as the Purchaser directs.

14 **ASSIGNMENT**

- 14.1 Save as provided in clauses 14.2 and 14.3, no party shall without the prior written consent of the other parties assign, transfer or otherwise delegate (in whole or in part) or charge or deal in any manner with the benefit of or the rights or obligations under this Agreement.
- 14.2 The Vendor (and any permitted assignee of the Vendor as provided below) may at any time assign and transfer: (i) all or any of its rights under this Agreement to any Governmental Body; and/or (ii) all or any of its obligations under this Agreement to any Governmental Body having the power and resources (including financial) to meet such obligations.
- 14.3 The Purchaser (and any permitted assignee of the Purchaser as provided below) may at any time assign and transfer all or any of its rights and/or obligations under this Agreement to any Qualifying CWC Group Member (as defined in the Shareholders' Agreement).
- 14.4 Any permitted assignee under this clause 14 shall be entitled to enforce and shall be bound by the terms of this Agreement with effect from the date of assignment as if it were a party to this Agreement save that, in the case of an assignment pursuant to clause 14.3, the Vendor (or any permitted assignee of the Vendor) shall have no greater liability hereunder as a result of such assignment.

15 **SUCCESSORS AND ASSIGNS**

This Agreement shall be binding on and enure for the benefit of the successors and permitted assigns of the parties.

16 **ANNOUNCEMENTS**

16.1 **Consultation**

Prior to any announcement (other than the Press Announcements) concerning the matters provided for in this Agreement being made or issued by or on behalf of any member of the Purchaser's Group or the Vendor or any Governmental Body, the Purchaser (in the case of any member of the Purchaser's Group) or the Vendor (in the case of the Vendor or any Governmental Body) shall, to the extent permitted by Applicable Law, consult with the Vendor or the Purchaser (as appropriate) and give such other party every reasonable opportunity to comment on any such announcement or release before it is made or issued.

16.2 **No time limit**

The restriction in clause 16.1 shall apply after Completion without limit of time.

17 **CONFIDENTIALITY**

17.1 **Prohibition on disclosure**

Subject to clause 17.2, each party (each, for the purpose of this clause 17, a "**Recipient**") undertakes that it shall, from the date of this Agreement and both during and after the term of this Agreement, use all reasonable endeavours to keep confidential (and to ensure that its officers, employees, agents and professional and other advisers keep confidential), any information which it may have or acquire before or after the date of this Agreement: (i) in relation to the Company's customers, business, employees, assets or affairs (including any information disclosed pursuant to clause 5.8.1(b)); or (ii) in relation to the Company, which forms part of any Contractual Document and which is expressly marked as commercially sensitive.

No Recipient shall directly or indirectly use for its own business purposes (other than for the purposes of this Agreement or the Shareholders' Agreement) or disclose to any third party any such information referred to above (collectively "**Confidential Information**") without the prior written consent of the other parties.

17.2 Permitted disclosures

The obligations of confidentiality referred to in clause 17.1 do not apply:

17.2.1 where such information enters the public domain (otherwise than as a result of a breach by any of the parties of their respective obligations in this clause 17);

17.2.2 if and to the extent that disclosure is:

- (a) (subject to clause 17.3) on a 'need to know' basis to a body which is another Governmental Body or to a company which is another member of the Purchaser's Group (as the case may be) where the disclosure is for a purpose reasonably incidental to this Agreement;
- (b) in respect of information which has been independently developed by the relevant Recipient or acquired from a third party to the extent that it is acquired with the right to disclose the same;
- (c) made (subject to clauses 17.3 and 17.4) only to the professional advisers, auditors, insurers or bankers of the Recipient in confidence and for a purpose reasonably incidental to this Agreement;
- (d) required for the purpose of any other agreement entered into under or pursuant to this Agreement or the Recipient is reasonably required to disclose the information to a Tax Authority in connection with its Tax affairs;
- (e) made in compliance with any requirement of any applicable law, any stock exchange regulation, any binding judgment, any order or requirement of any court or other competent authority or, made in response to a requirement of any other applicable regulatory authority or regulatory, governmental or fiscal body (including any self-regulatory organisation);

provided that any such information used or disclosable pursuant to this clause 17.2.2 shall, so far as reasonably practicable and, to the extent permitted by Applicable Law, be used or disclosed only after consultation with the Vendor or the Purchaser (as appropriate) and after giving such other party reasonable opportunity to comment on any such disclosure before it is made.

17.3 Employees, agents and advisers

Each Recipient shall inform any officer, employee, agent, any professional or other adviser or other body referred to in clause 17.2.2(a) advising it in relation to the matters referred to in this Agreement, or to whom it provides Confidential Information, that such information is confidential and shall instruct them:

17.3.1 to keep it confidential; and

17.3.2 not to disclose it to any third party (other than those persons to whom it has already been disclosed in accordance with the terms of this Agreement).

The disclosing Recipient is responsible for any breach of this clause 17 by the person to whom the Confidential Information is disclosed.

17.4 Return of Confidential Information

If this Agreement terminates, any party may by notice require any Recipients to return the disclosing party's Confidential Information. If so, the Recipients shall:

17.4.1 return or destroy all documents containing Confidential Information which have been provided by or on behalf of the party demanding the return of Confidential Information; and

17.4.2 destroy any copies of such documents and any document or other record reproducing, containing or made from or with reference to the Confidential Information;

(save, in each case, for any Confidential Information which is contained in or required for any submission to or filings with any governmental, tax or regulatory authorities). The Recipients shall return or destroy the Confidential Information as soon as practicable after receiving notice.

17.5 No time limit

The restrictions contained in this clause 17 shall continue to apply after Completion or termination of this Agreement without limit in time.

18 COSTS

18.1 Subject as stated in clause 3.2.2(b), 13.1 and 18.2, all expenses incurred by or on behalf of the parties, including all fees of professional advisers employed by any of the parties in connection with the negotiation, preparation and execution of this Agreement and fulfilment of any of the Conditions (including without limitation any further work in satisfying the URCA Conditions) shall be borne solely by the party which incurred them.

18.2 The Purchaser shall be liable only for the payment of 50% of any stamp duty (and for no other Bahamian transfer taxes) payable in connection with this Agreement subject to a maximum amount of US\$7,000,000.

19 AMENDMENTS

19.1 Amendments

No amendment or variation of this Agreement or any of the other agreements, documents and/or deeds required to be entered into by the parties at, prior to or after Completion in connection with and/or pursuant to this Agreement, shall be effective unless it is in writing and signed by or on behalf of each of the parties. References in this Agreement to documents "in the agreed form" shall, where appropriate, be construed as references to such documents as so amended.

19.2 Waivers and remedies

19.2.1 The rights and remedies of each party under this Agreement may be waived only in writing and specifically.

19.2.2 Delay in the exercise or non-exercise of any right or remedy under this Agreement is not a waiver of that right or remedy.

19.2.3 Partial exercise of any right or remedy under this Agreement shall not preclude any further or other exercise of that right or remedy or any other right or remedy under this Agreement.

19.2.4 Waiver of a breach shall not operate as a waiver of any subsequent breach.

20 ENTIRE AGREEMENT

20.1 The parties agree that:

20.1.1 this Agreement and the Shareholders' Agreement (together with the documents expressly referred to in such agreements) (together the "**Contractual Documents**") constitute the entire agreement between the parties with respect to the subject matter of it;

20.1.2 none of them have been induced to enter into any Contractual Document in reliance upon, nor have they been given, any warranty, representation, statement, agreement or undertaking of any nature whatsoever other than as are expressly

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set out in the Contractual Documents and, to the extent that any of them have been the relevant party unconditionally and irrevocably waives any claims, rights or remedies which it might otherwise have had in relation thereto and any right to terminate this Agreement for any reason; and

20.1.3 save as provided in clauses 3.4 and 5.6, the only remedies available to them in respect of the Contractual Documents are damages for breach of contract and, for the avoidance of doubt, no party shall have any right to rescind or terminate any Contractual Document either for breach of contract or for breach of any warranty or for negligent or innocent misrepresentation or otherwise howsoever;

provided that this clause 20 shall not exclude any liability which any party would otherwise have to any other party or any right which any of them may have to rescind this Agreement in respect of any statements made fraudulently by any other party prior to the execution of this Agreement or any rights which any of them may have in respect of fraudulent concealment by such other party.

21 **SURVIVAL OF OBLIGATIONS**

Subject to clauses 3.4 and 5.6, notwithstanding Completion each and every right and obligation of the Purchaser, the Vendor, the Consideration Guarantor and the Continuing Guarantor under this Agreement shall, except in so far as fully performed at Completion, continue in full force and effect.

22 **NOTICES**

22.1 **Writing**

All notices between the parties with respect to this Agreement shall be in writing and signed by the party giving it.

22.2 **Service**

Any notice referred in clause 22.1, shall be served by delivering it:

22.2.1 by hand;

22.2.2 by sending it by pre-paid post, registered delivery or (in respect of a notice being sent overseas) airmail; or

22.2.3 by fax

to the address of the addressee set out below, or to such other address as the addressee may from time to time have notified for the purpose of this clause.

22.3 **Deemed delivery**

A notice shall take effect from the time received or, if earlier, the time of deemed receipt in accordance with this clause, unless a later time is specified in it. Notices shall be deemed to have been received:

22.3.1 if delivered by hand, at the time of delivery;

22.3.2 if sent by pre-paid post or registered delivery two business days after posting exclusive of the day of posting;

22.3.3 if delivered by air mail, five business days after posting exclusive of the day of posting; or

22.3.4 if sent by fax, at the time of transmission unless received after normal office hours in the place of receipt in which case it shall be deemed to have been received on the next business day in the place of receipt.

22.4 Proof of service

In proving service:

- 22.4.1 of delivery by hand, it shall be necessary only to produce a receipt for the communication signed by or on behalf of the addressee;
- 22.4.2 by post, it shall be necessary only to prove that the communication was contained in an envelope which was duly addressed and posted in accordance with this clause; and
- 22.4.3 by fax, it shall be necessary only to produce the sender's transmission slip bearing the addressee's fax number showing the fax received by the addressee.

22.5 Addresses for notices

The addresses and fax numbers of the parties for the purposes of this clause are:

Vendor

Address: Ministry of Finance
3rd Floor Cecil Wallace Whitfield Centre
West Bay Street
Cable Beach
New Providence
P.O. Box N-3017
Nassau, The Bahamas

For the attention of: The Financial Secretary

Fax number: +1 242 327 1618

Purchaser

Address: 3rd Floor, 26 Red Lion Square, London WC1R 4HQ

For the attention of: Company Secretary of the Consideration Guarantor

Copy to: Head of Legal and Regulatory of the Consideration Guarantor

Fax number: + 44 207 315 5211

Consideration Guarantor

Address: 3rd Floor, 26 Red Lion Square, London WC1R 4HQ

For the attention of: Company Secretary of the Consideration Guarantor

Copy to: Head of Legal and Regulatory of the Consideration Guarantor

Fax number: + 44 207 315 5211

Continuing Guarantor

Address: 3rd Floor, 26 Red Lion Square, London WC1R 4HQ

For the attention of: Company Secretary of the Consideration Guarantor

Copy to: Head of Legal and Regulatory of the Consideration Guarantor

Fax number: + 44 207 315 5211

22.6 **No electronic transmission**

Any notice given under this Agreement shall not be validly served if sent by electronic mail, by text messaging via mobile telephone or other electronic means other than fax.

23 **COUNTERPARTS**

23.1 **Execution in counterparts**

This Agreement may be signed in any number of counterparts and by the parties to it on separate counterparts, but shall not be effective until each party has signed at least one counterpart.

23.2 **One Agreement**

Each counterpart shall constitute an original of this Agreement but all counterparts shall together constitute one and the same agreement.

24 **INVALIDITY**

24.1 If any provision in this Agreement is or is held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.

24.2 To the extent it is not possible to delete or modify the provision, in whole or in part, under clause 24.1, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under clause 24.1, not be affected.

25 **WAIVER OF SOVEREIGN IMMUNITY**

25.1 If the Vendor or any of its property or assets is or are entitled in any jurisdiction to any immunity from service of process or of other documents relating to the proceedings under any Contractual Document to which it is a party ("**Proceedings**") or to any immunity from jurisdiction, suit, judgment, execution, attachment (whether before judgment, in aid of execution or otherwise) or other legal process, this is irrevocably waived to the fullest extent permitted by the law of that jurisdiction, save and except immunity from execution and attachment as provided at section 19(4) of the Crown Proceedings Act (Chapter 68) Statute Law of The Bahamas, 2000 (the "**CPA**"). The Vendor also irrevocably agrees not to claim, save and except as provided for in this clause 25, any such immunity for itself or its property or assets. This waiver and agreement have, and are intended to have, irrevocable effect.

25.2 Accordingly, the Vendor consents (subject to clause 20.1.3) generally to the issue of any process in connection with any Proceedings and to the giving of any type of relief or remedy against it save and except as provided at section 14 and section 19(4) of the CPA. Subject to clause 25.1, such consent is without prejudice to the right of the Vendor to defend itself in respect of any such Proceedings.

26 **GOVERNING LAW**

This Agreement shall be governed by and construed in accordance with the laws of The Bahamas.

27 **JURISDICTION**

In relation to any legal action or proceedings arising out of or in connection with this Agreement whether contractual or non-contractual, each of the parties irrevocably submits to the exclusive jurisdiction of the courts of The Bahamas and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that proceedings have been brought in an inappropriate forum.

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28 **AGENT FOR SERVICE OF PROCESS**

- 28.1 Each of the Consideration Guarantor and Continuing Guarantor hereby irrevocably appoints the Purchaser at the registered address set out above as its agent for service of process for the purposes of any legal action or proceedings referred to in clause 27. Any notice served on or given to the Consideration Guarantor or the Continuing Guarantor in connection with any such proceedings shall be copied at the same time by the party serving or giving such notice to the Purchaser to the address details given in clause 22.5.
- 28.2 Each of the Consideration Guarantor and the Continuing Guarantor may appoint a replacement agent having an address for service in The Bahamas at any time by notice in writing to the Vendor

AS WITNESS this Agreement has been signed by the duly authorised representatives of the parties as a deed on the day and year first before written.

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SCHEDULE 1
THE COMPANY

| | |
|---------------------------------|--|
| (i) Directors: | Julian W Francis Patrick L Adderley Raymond L Jones Ian Hepburn Claretta M Duncombe Dedrie C Prescott Garth Buckner James A Moss Bernard Evans |
| (ii) President: | Kirk Griffin (acting) |
| (iii) Chairman: | Julian W Francis |
| (iv) Secretary: | Felicity L Johnson |
| (v) Administrative Office: | John F Kennedy Drive, PO Box N-3048, Nassau, The Bahamas |
| (vi) Date of Incorporation: | 14 June 2001 |
| (vii) Country of Incorporation: | The Commonwealth of The Bahamas |
| (viii) Registered Number: | 48750 |
| (ix) Auditors: | PricewaterhouseCoopers |
| (x) Accounting Reference Date: | 31 December |
| (xi) Encumbrances: | Security grant dated 18 November 2005 in favour of Citibank N.A. in relation to the US\$60,000,000 syndicated term loan facility whereby the Company pledged and assigned a security interest in and over certain bank accounts. |
| (xii) Authorised Share Capital: | B\$254,664,000 divided into 254,664,000 shares of B\$1 each |
| (xiii) Issued Share Capital: | B\$254,664,000 divided into 254,664,000 shares of B\$1 each |
| (xiv) Shareholders: | The Financial Secretary: 1 share The Vendor: 254,663,999 shares |

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INTELLECTUAL PROPERTY RIGHTS

SCHEDULE 2

INTELLECTUAL PROPERTY RIGHTS

Trade Marks

| | NAME | TRADEMARK NO. | DATE SUBMITTED | CLASSES | AGENT | PROVISIONAL ACCEPTANCE | GAZETTED | DATE BTC RECEIVED CERTIFICATES |
|---|-------------|---------------|----------------|--------------------------------------|--|------------------------|-------------------|--------------------------------|
| 1 | MOONPAC | 27,428 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 2 | MARSPAC | 27,429 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 3 | SATURNPAC | 27,430 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 4 | VENUSPAC | 27,431 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 5 | MERCURY PAC | 27,432 | 26 April 2004 | (2) Classes 37 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 6 | Cybercell | 27,433 | 26 April 2004 | (2) Classes 37 & 50 | Elizabeth Thompson/BTC formerly McDermott | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |

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INTELLECTUAL PROPERTY RIGHTS

| | NAME | TRADEMARK NO. | DATE SUBMITTED | CLASSES | AGENT | PROVISIONAL ACCEPTANCE | GAZETTED | DATE BTC RECEIVED CERTIFICATES |
|----|--|---------------|----------------|---|--|------------------------|-------------------|--------------------------------|
| 7 | ROCKIT | 27,434 | 26 April 2004 | (2) Classes 37 & 50 | Associates Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 8 | GalaxCO | 27,435 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 9 | JUPITERPAC | 27,436 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 10 | EARTH PAC | 27,437 | 26 April 2004 | (4) Classes 37, 38, 39 & 50 | Elizabeth Thompson/BTC formerly McDermott Associates | 8 October 2004 | Vol. 12 - 2007 | 17 April 2009 |
| 11 | VIBE Talking for Less | 29,695 | 11 August 2006 | (2) Classes 39 & 50 | Miranda Evans/BTC | 16 August 2006 | Vol. 6 - 2010 | |
| 12 | HELLO Long Distance Phone Card | 29,696 | 11 August 2006 | (2) Classes 39 & 50 | Miranda Evans/BTC | 16 August 2006 | Vol. 6 - 2010 | |
| 13 | ICONNECT No Limits | 29,697 | 11 August 2006 | (2) Classes 39 & 50 | Miranda Evans/BTC | 16 August 2006 | Vol. 6 - 2010 | |
| 14 | BTC Your Connection to the World | 29,698 | 11 August 2006 | (12) Classes 5, 8, 14, 15, 16, 21, | Miranda Evans/BTC | 16 August 2006 | Vol. 6 - 2010 | |

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INTELLECTUAL PROPERTY RIGHTS

| | NAME | TRADEMARK NO. | DATE SUBMITTED | CLASSES | AGENT | PROVISIONAL ACCEPTANCE | GAZETTED | DATE BTC RECEIVED CERTIFICATES |
|----|--|---------------|------------------------|---------------------------|---|------------------------|----------|--------------------------------|
| 15 | BU Live a Little, My Media | 31,923 | 9 July 2008 | (2) Classes 39 & 50 | Elizabeth Thompson SR. MGR/ LR&I/BTC | 6 February 2009 | | |
| 16 | BHI, Bahamas Haiti International | | 23 April 2009 | (2) Classes 39 & 50 | Elizabeth Thompson SR. MGR/ LR&I/BTC | | | |
| 17 | EZ PAY PLUS | | 31 August 2009 | (2) 39 & 50 | Elizabeth Thompson SR. MGR/ LR&I/BTC | | | |
| 18 | BTC Starmaker | | 18 November 2009 | (2) 39 & 50 | Elizabeth Thompson SR. MGR/ LR&I/BTC | | | |

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SCHEDULE 2A

DOMAIN NAMES

| Domain Name | Registrant Name | Record created | Record expires |
|----------------------|--|------------------|---|
| btcbahamas.com | The Bahamas Telecommunications Company Ltd | 19 November 2002 | 19 November 2015 (renewed 4 October 2009) |
| batelnet.bs | The Bahamas Telecommunications Company Ltd | 10 August 2008 | January 2020 |
| btcsms.com | The Bahamas Telecommunications Company Ltd | 3 December 2002 | 3 December 2012 |
| Btclite.com | The Bahamas Telecommunications Company Ltd | 11 October 2006 | 11 October 2014 |
| bahamashaiti.com | The Bahamas Telecommunications Company Ltd | 9 March 2009 | 9 March 2014 |
| bahamasypages.com | The Bahamas Telecommunications Company Ltd | 2 May 2008 | 2 May 2018 |
| bahamasypmobile.com | The Bahamas Telecommunications Company Ltd | 2 July 2008 | 2 July 2018 |
| btctopup.com | The Bahamas Telecommunications Company Ltd | 30 November 2006 | 30 November 2016 |
| btcezpayout.com | The Bahamas Telecommunications Company Ltd | 14 August 2009 | 14 August 2014 |
| btcezpayouttests.com | The Bahamas Telecommunications Company Ltd | 28 January 2010 | 28 January 2011 |
| seekbahamas.com | The Bahamas Telecommunications Company Ltd | 5 November 2009 | 5 November 2014 |
| btcbahamas.info | The Bahamas Telecommunications Company Ltd | 6 July 2010 | 6 July 2011 |
| lmsbtcbahamas.com | The Bahamas Telecommunications Company Ltd | 27 October 2010 | 27 October 2015 |

SCHEDULE 3

PENSIONS

The Bahamas Telecommunications Corporation Retirement Plan for Full-Time Employees as constituted by (i) undated plan notes annexed as Schedule A to a trust deed dated 31 December 2002 made between The Bahamas Telecommunications Company Limited of the first part and Ansbacher (Bahamas) Limited of the second part, and (ii) that trust deed itself, each as subsequently amended from time to time.

Handwritten initials or marks.

SCHEDULE 4

THE PROPERTIES

Part 1: Freehold Properties

Part 1A

- 1 10,000 square feet situated on Pigeon Plum Avenue in Pinewood Gardens, New Providence;
- 2 10,170 square feet situated on Lyford Cay Drive, Lyford Cay, New Providence;
- 3 2.5 acres or thereabouts situated approximately 800 feet west of Coral Harbour round-a-bout, New Providence;
- 4 Lot 9, Block 2, Gleniston Gardens, New Providence;
- 5 2.669 acres or thereabouts being lot numbered 28 in the Eight Mile Rock Government Subdivision (formerly a portion of the Braudie Tract), Eight Mile Rock, Eleuthera;
- 6 0.628 acres being Lot 11 in the Sweetings Cay Crown Allotments, Sweeting Cay, Grand Bahama;
- 7 Part of Parcel 1, Hemmingville, North Bimini;
- 8 Portion of Block 5, Buccaneer Point, South Bimini;
- 9 3.067 acres or thereabouts being lots numbered Five (5) and Six (6) situated approximately 2.7 miles west of Nicholl's Town, Andros;
- 10 25,600 square feet or thereabouts situated on the eastern side of the Main Public Highway and approximately 180 feet southeasterly from the Church of God, Cargill Creek, Andros;
- 11 3,780 square feet being a portion of a larger tract of land containing 2.86 acres and known as "Buena Vista", Governor's Harbour, Eleuthera;
- 12 1/10th of an acre being a portion of Lot Numbered 187A on the plan of New Portsmouth, Eleuthera;
- 13 2.281 acres or thereabouts situated on the western side of the main Eleuthera Highway and approximately 2,100 feet south of Tarpum Bay, Eleuthera;
- 14 4,636 square feet situated in the Settlement of Spanish Wells, St. George's Cay;
- 15 4,288 square feet situated in the Settlement of Spanish Wells, St. George's Cay;
- 16 5,000 square feet being a portion of a 8.755 acre tract situated on the western side of the Main Eleuthera Highway and approximately 2.81 miles north of Rock Sound, Eleuthera;
- 17 12,730 square feet or thereabouts situated in Sandy Point, Abaco;
- 18 13,404 square feet situated in Treasure Cay, Abaco;
- 19 1.5 acres or thereabouts situated near Pinkston Estate at Williams Town, Little Exuma;
- 20 Lot 23A, Silver Beach Estates situated north of George Town, Great Exuma;
- 21 5 acres or thereabouts situated northwards of Matthew Town, Inagua;
- 22 17,469 square feet situated on the northwest end of Arthur's Town, Cat Island; and
- 23 Lot 7, Block 2, Columbus Landings One (1) Subdivision containing 12,987 square feet, Sandy Point, San Salvador.

Freehold Properties

Part 1B

- 1 6.585 acres or thereabouts comprising the allotments numbered 2 and 3 in the Government Allotments situated immediately north of John F. Kennedy Drive, New Providence;
- 2 14.259 acres on eastern side of Ferguson Road and app. 900 feet south of West Bay Street, New Providence;
- 3 0.824 acres being a portion of the Oakes Airport Subdivision situated on the southern side of Poinciana Drive, New Providence;
- 4 3.251 acres comprising a portion of the Oakes Airport Subdivision situated on the south side of Poinciana Drive, New Providence;
- 5 11.38 acres being a portion of a larger tract of land comprising 28.72 acres situated Soldier Road, New Providence;
- 6 1.5 acres situated to the south of Pine Barren Road, New Providence;
- 7 1.980 acres being a portion of an original 6.90 acre tract known as Delaport Point Plantation, New Providence;
- 8 4,092 square feet, Paradise Island;
- 9 28,024 square feet identified as Parcel C and comprising a portion of Golden Gates No. 2 Subdivision, New Providence;
- 10 Property situated on the eastern side of Solider Road 600 feet from the junction of Wulff Road, Village Road and Bernard Road;
- 11 21,434 square feet situated on the western side of Fox Hill Road (north) approximately 442 feet southwards of the intersection of the Eastern Road, New Providence;
- 12 634 square feet situated on the southern side of Phyllis Aldridge Close, Millennium Gardens, New Providence;
- 13 2.88 acres being Crown Lots 32A, 33A, 34A and 35A situated at McLeans Town, Grand Bahama;
- 14 1.05 acres situated at South Riding Point, Grand Bahama;
- 15 15,623 square feet situated at West End, Grand Bahama;
- 16 16,921 square feet situated at Bassett Cove, Grand Bahama;
- 17 Lot 407, Section 1, Bahama Beach Subdivision, West End, Grand Bahama;
- 18 28,230 square feet situated Bailey Town, Bimini;
- 19 2.23 acres situated at The Bluff, Kemps Bay, Andros;
- 20 16,776 square feet and 1,198 square feet both situated at Peats, Mangrove Cay, Andros;
- 21 25,670 square feet situated in the north-eastern section of Coakley Town in the Settlement of Fresh Creek, Andros;
- 22 2.224 acres situated at Stainard Creek, Andros;
- 23 1.429 acres and being a portion of (i) Tract "3E" containing 0.787 of an acre, (ii) Tract "3D" containing 0.609 of an acre, and (iii) lot 3, unit 6, block 99 containing 0.033 acres situated on Great Harbour Cay, Berry Islands;

- 24 2.11 acres situated on the northern side of a 50 feet wide road reservation at Chub Cay, Berry Islands;
- 25 7,459 square feet or thereabouts situated at the juncture of Court Street and Colebrook Street, Harbour Island;
- 26 1.054 acres situated on the northern side of Pine Street, Governors Harbour, Eleuthera;
- 27 portions of Lots Numbered 187A, 187 and 176 in the plan of New Portsmouth, Eleuthera;
- 28 4.764 acres situated at Hatchet Bay, Eleuthera;
- 29 12,000 square feet situated at Green Castle, Eleuthera;
- 30 1.922 acres situated at Savannah Sound, Eleuthera;
- 31 3.997 acres situated at Lower Bogue, Eleuthera;
- 32 Lots 73, 75, 76, 77, 78 in the Township of Marsh Harbour, Abaco;
- 33 3.672 acres situated in Fox Town, Abaco;
- 34 5,117 square feet situated in the western section of Cedar Harbour, Little Abaco Island;
- 35 3.685 acres situated in the new section of Crossing Rocks, Abaco;
- 36 8,972 square feet situated in Cherokee Sound, Abaco;
- 37 2,038 square feet situated at the entrance of Spring City, Abaco;
- 38 15,319 square feet situated at Hope Town, Elbow Cay, Abaco Range of Cays;
- 39 3,274 square feet situated in Man-O-War Cay, Abaco Range of Cays;
- 40 2,980 square feet situated at Guana Cay, Abaco Range of Cays;
- 41 7,280 square feet situated at New Plymouth, Green Turtle Cay, Abaco Range of Cays;
- 42 3.586 acres being a portion of a tract of land originally granted to John Tedder (B-108) and commuted under the provisions of the Commutation Act, 1847 to John Saunders (2-96) situated in Hard Bargain, Moores Island, Abaco Range of Cays;
- 43 5,731 square feet situated Hard Bargain, Moores Island, Abaco Range of Cays;
- 44 7,996 square feet being Lot No. 2B of the Crown Allotments situated on Little Grand Cay, Abaco Range of Cays;
- 45 4,000 square feet situated in Crown Haven, Abaco;
- 46 Lots numbered 147, 156, 165, 166, 167, 168, 169, 177, 178, 179 and 180 as shown on Crown Land Office (now the Department of Lands and Surveys) Plan No. 2 of George Town, Exuma;
- 47 4.30 acres comprising all or portion of lots numbered 2, 3, 4, 5 and 6 shown on survey plan numbered C-1004, Farmers Hill, Exuma;
- 48 1.056 acres situated at Barraterre, Great Exuma;
- 49 2.516 acres situated at Rolleville Commonage, Great Exuma;
- 50 15,979 square feet situated at Staniel Cay, Exuma Range of Cays;
- 51 3.612 acres situated on the southern coast of Little Farmers Cay, Exuma Range of Cays;
- 52 14,736 square feet situated in Black Point, Great Guana Cay, Exuma Range of Cays;



THE PROPERTIES

- 53 2.45 acres comprising two (2) areas (0.76 of an acre and 1.69 acres) situated at Deadman's Cay, Long Island;
- 54 2.50 acres situated on the northern side of O'Neill's Road, about 4,555 feet east of Queen's Highway at Simms, Long Island;
- 55 7,174 square feet situated at Clarence Town, Long Island;
- 56 1 acre situated opposite the Public Dock, Simms, Long Island;
- 57 12,684 square feet situated at Arthur's Town, Cat Island;
- 58 New Bight, Cat Island consistency of (i) one parcel of land of 15,807 square feet; and (ii) one parcel of land of 1,239 square feet;
- 59 33,687 square feet situated at Cockburn Town, San Salvador;
- 60 1.995 acres situated at Duncan Town, Ragged Island;
- 61 0.875 acres situated at Abraham's Bay, Mayaguana;
- 62 0.945 acres situated at Betsy Bay, Mayaguana;
- 63 2.604 acres situated at Cabbage Hill, Crooked Island;
- 64 0.691 acres situated at Spring Point, Acklins;
- 65 1 acre situation on the eastern side of a public road opposite the Water and Sewerage Corporation's water tank and approximately 1,200 feet north of the Main Public Road in Salina Point, Acklins;
- 66 7,531 square feet situated at Albert Town, Long Cay;
- 67 portion of Lot 158 containing by admeasurement 16,205 square feet situated at King Street, Port Nelson, Rum Cay; and
- 68 2,640 square feet being a portion of an original Crown Grant B-96 situated at Water Cay on the northern coast of Grand Bahama.

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Part 2: Leasehold or Licensed Properties**NEW PROVIDENCE**

- 1 Mall-at-Marathon: Multi-purpose Centre and GSM antenna
- 2 Shirley Street Shopping Plaza: Central Enterprise Office ("CTO")
- 3 Park Plaza, Fox Hill: CTO
- 4 Mall-at-Marathon: Cybershop
- 5 Festival Place: Mini CTO with phone cards and pay phones and queries
- 6 Prince William High School: GSM Tower
- 7 Summerwinds Plaza: Directory Publications Department
- 8 Mikes Shoe Store: Marketing Department & CTO
- 9 Lynden Pindling International Airport: GSM/TDMA Tower
- 10 Prospect Ridge Waterworks: GSM Tower
- 11 Winton Water Tower: GSM
- 12 Garden Hills: GSM Tower
- 13 Clifton Heritage Park: GSM Tower
- 14 John's Plaza: CTO
- 15 Sheraton Resorts Hotel: GSM
- 16 Goodman's Bay Recreation Park: Underground cable
- 17 East Street North Cable Room & GSM/TDMA Tower
- 18 Paradise Island, West: GSM Tower
- 19 Paradise Ecell 1: GSM Antenna
- 20 Paradise Ecell 2: GSM Antenna
- 21 Paradise Ecell 3: GSM Antenna
- 22 Ocean Club Paradise Ecell 4: GSM Antenna
- 23 Atlantis in building site: GSM/TDMA Antenna
- 24 Cumberland Street: Outside Plant Module ("OPM")
- 25 Room C.1.112A, Lynden Pindling International Airport : Telephone Exchange Room
- 26 GSM Tower, Adelaide Park
- 27 GSM Tower, Arawak Cay, West Bay Street
- 28 GSM Tower, Bacardi Park
- 29 GSM Tower, Blue Hill Road Police Station
- 30 GSM Tower, C R Walker School

- 31 GSM Tower, Cowpen Road & Faith Avenue
- 32 GSM Tower, D W Davis School
- 33 GSM Tower, Fire Station West
- 34 GSM Tower, Gambier School
- 35 GSM Tower, Gladstone Road
- 36 GSM Tower, Village Road/Montagu Park
- 37 GSM Tower, Windsor Park
- 38 GSM Tower, East Street, Nassau
- 39 GSM Tower, Yamacraw East, Freedom Park

GRAND BAHAMA

- 40 Lucayan Exchange: Technical/Administration Building and GSM/TDMA Tower
- 41 Settler's Way Compound: Stores & Mechanical Workshop & GSM/TDMA Tower
- 42 McKenzie Street: Technical Building
- 43 Sea Horse Plaza: Multi-purpose Centre
- 44 Pioneers Way: Administration Building and GSM/TDMA Tower
- 45 Queens Highway/Fishing Hole Road: GSM Tower
- 46 Grand Lucayan Water Way: GSM Tower
- 47 Bahamia South: OPM and GSM/TDMA Tower
- 48 Community Beach: GSM
- 49 Lucayan Towers (South): GSM Antenna
- 50 Our Lucayan Hotel: GSM Tower
- 51 Eight Mile Rock Government Complex: Underground cable
- 52 Grand Bahama Highway/Silver Bluff: GSM/TDMA Tower
- 53 Airport West: GSM Tower
- 54 Container Port Harbour: GSM Tower
- 55 Lucayan Estate/Water Tank: GSM Tower
- 56 Midshipman: GSM Tower
- 57 Coral Reef Park: GSM Tower
- 58 Chesapeake: GSM Tower
- 59 Our Lucayan Hotel (E Cell): GSM Antenna
- 60 High Rock Government Compound
- 61 GSM Tower, Lewis Yard School

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- 62 GSM Tower, Maurice Moore School
- 63 GSM Tower, Pelican Point School
- 64 GSM Tower, Midway
- 65 GSM Tower, Bootle Bay
- 66 GSM Tower, Bootle Bay West

BIMINI


- 67 Alice Town: Administration Office Building and GSM/TDMA Tower
- 68 Bimini Bay: GSM Tower
- 69 Cat Cay: GSM Tower

ANDROS

- 70 Driggs Hill/Emerald Palms: GSM Tower
- 71 GSM Tower, Barc
- 72 GSM Tower, Mars Bay Park
- 73 GSM Tower, Mastic Point
- 74 GSM Tower, Red Bays Park
- 75 GSM Tower, North Andros Airport
- 76 GSM Tower, Love Hill
- 77 GSM Tower, Bowen Sound
- 78 GSM Tower, Little Harbour, Mangrove Cay/Moxey Town
- 79 GSM Tower, Little Creek Park

ELEUTHERA

- 80 Russell Island: Equipment Site
- 81 Banana Beach Estates: GSM Tower
- 82 Cape Eleuthera: GSM Tower
- 83 GSM Tower, Bannerman Town
- 84 GSM Tower, Gregory Town Park
- 85 GSM Tower, James Cistern School
- 86 GSM Tower, Palmetto Point School
- 87 GSM Tower, Governors Harbour Airport



- 88 GSM Tower, Current Island
- 89 GSM Tower, Green Castle

ABACO

- 90 Treasure Cay: CTO
- 91 Murphy Town: OPM & Equipment Site
- 92 Little Harbour: Telephone Booth
- 93 Coopers Town: Technical, Administration & CTO
- 94 The Crossings: Hurricane Centre
- 95 Disney (Castaway Cay): GSM Tower
- 96 Cocoa Bay, Green Turtle Cay: Equipment Site
- 97 GSM Tower, Bahama Palm Shores
- 98 GSM Tower, Baker's Bay Resort, Guana Cay
- 99 GSM Tower, Big Bird Farm
- 100 GSM Tower, Blackwood
- 101 GSM Tower, Busic Bight
- 102 GSM Tower, Butler's Building
- 103 GSM Tower, Casuarinas
- 104 GSM Tower, Central Pines
- 105 GSM Tower, Coopers Town
- 106 GSM Tower, Dundas Town
- 107 CTO: Guana Cay
- 108 GSM Tower, Green Turtle Cay Ferry
- 109 GSM Tower, Hole In The Wall
- 110 GSM Tower, Hunters
- 111 GSM Tower, Leisure Lee
- 112 GSM Tower, Long Bay
- 113 GSM Tower, Marsh Harbour Airport
- 114 GSM Tower, Pirates Nest
- 115 GSM Tower, Red Bays
- 116 GSM Tower, Sands Cove
- 117 GSM Tower, Schooner Bay
- 118 GSM Tower, The Bridge

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- 119 GSM Tower, Thurston Bay
- 120 GSM Tower, Treasure Cay Airport
- 121 GSM Tower, Winding Bay
- 122 GSM Tower, Wood Cay

EXUMA

- 123 Ramsey: GSM Tower
- 124 Highbourne Cay: GSM Tower
- 125 Ferry Bridge, George Town: GSM Tower
- 126 Hoppers Bay/COB: GSM Tower
- 127 Bahama Sound Ocean Addition West: CTO
- 128 GSM Tower, Bay View Sub Park
- 129 GSM Tower, Forbes Hill School
- 130 GSM Tower, Moss Town School
- 131 GSM Tower, Rolle Town
- 132 GSM Tower, Steventon Clinic
- 133 GSM Tower, George Town Airport

LONG ISLAND

- 134 Stella Maris: GSM Tower
- 135 GSM Tower, Hamilton's
- 136 GSM Tower, Mortimer's
- 137 GSM Tower, Roses
- 138 GSM Tower, Salt Pond
- 139 GSM Tower, Seymour's
- 140 GSM Tower, Millers
- 141 GSM Tower, Grays

CAT ISLAND

- 142 The Bluff: GSM Tower
- 143 Port Howe: Equipment Site
- 144 GSM Tower, Smith's Bay Teachers Residence
- 145 GSM Tower, Moss Town



146 GSM Tower, Hawk Nest

147 GSM Tower, Port Howe

SAN SALVADOR

148 GSM Tower, Dixson Hill Lighthouse

149 GSM Tower, Polaris/US Base

CROOKED ISLAND

150 GSM Tower, Majors Cay Clinic

151 GSM Tower, Pitts Town

ACKLINS

152 GSM Tower, Lovely Bay School

153 GSM Tower, Mason Bay Teacher Residence

154 GSM Tower, Pompay Bay Queens Highway

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SCHEDULE 5

COMPLETION DOCUMENTS

- 1 Duly executed transfers of the Sale Shares in favour of the Purchaser or its nominees together with the relevant share certificates (or an indemnity in a form satisfactory to the Purchaser in the case of any certificate found to be missing).
- 2 An original counterpart of the Shareholders' Agreement duly executed by the Vendor and the Company.
- 3 A certified copy of the New Memorandum and Articles, as adopted by the Company.
- 4 The resignations (in the agreed form) as deeds of each of the directors of the Company in which each of them shall acknowledge that he has no claims against the Company for compensation for loss of office or otherwise.
- 5 The resignation as a deed (in the agreed form) of Felicity Johnson as the secretary of the Company in which she shall acknowledge that she has no claims against the Company for compensation for loss of office or otherwise.
- 6 Copies of the board minutes of the Company in respect of the board meetings held pursuant to clause 5.4.2.
- 7 The statutory books (which shall be written up to but not including the Completion Date), the certificate of incorporation (and any certificate of incorporation on change of name) and common seal (if any) of the Company.
- 8 Such title deeds relating to each Property as are held by the Company.
- 9 The deed of amendment (as contained in Schedule 4 of the Shareholders' Agreement) and deed establishing feeder trust (as contained in Schedule 7 of the Shareholders' Agreement) duly executed by the Company and any other parties thereto and, in the case of such deed establishing feeder trust, the relevant trust duty thereon paid.
- 10 The duly executed notice from the Company to the Pension Trustee (as defined in the Shareholders' Agreement), in the form set out in Schedule 5 of the Shareholders' Agreement.
- 11 An original counterpart of the CWC Support Services Agreement duly executed by the Company.
- 12 An original counterpart of the LIME Support Services Agreement duly executed by the Company.



SCHEDULE 6
THE WARRANTIES

1 AUTHORITY AND CAPACITY

1.1 Validity

The Company is validly existing and is a company duly incorporated under the laws of The Bahamas.

1.2 Authority and Capacity of the Vendor

1.2.1 The Vendor has full power and authority to enter into and perform this Agreement and to enter into and perform any other agreements, documents and/or deeds required to be entered into by it in connection with and/or pursuant to this Agreement.

1.2.2 This Agreement, and any other agreements, documents and/or deeds to be entered into by the Vendor in connection with and/or pursuant to this Agreement, when executed, will constitute valid and binding obligations on the Vendor, enforceable in accordance with their respective terms.

1.2.3 The execution and delivery of, and the performance by the Vendor of its obligations under this Agreement, and any other agreements, documents and/or deeds required to be entered into by the Vendor in connection with and/or pursuant to this Agreement, will not result in a breach of, and is not inconsistent with or otherwise contravenes, any law, order, judgment or decree of any court or Governmental Body to which the Vendor is a party or by which the Vendor is subject or bound.

1.2.4 The execution and delivery of, and the performance by the Vendor of its obligations under this Agreement, and any other agreements, documents and/or deeds required to be entered into by the Vendor in connection with and/or pursuant to this Agreement, do not require any Permit to be granted by, or any filing or registration to be made with, any Governmental Body or court (save for the approvals referred to in clause 3.1).

1.3 The Shares and the Sale Shares

1.3.1 All the Shares are duly authorised, validly issued and fully paid.

1.3.2 The Shares constitute the whole of the issued and allotted share capital of the Company.

1.3.3 The Sale Shares constitute 51% of the issued and allotted share capital of the Company.

1.3.4 There are no voting agreements, proxies or other agreements or understandings in respect of the voting of any of the Shares.

1.3.5 The Vendor is the sole legal and beneficial owner of the Sale Shares and is entitled to sell and transfer to the Purchaser the full legal and beneficial ownership of the Sale Shares free from Encumbrances without the consent of any third party (other than as specified in the Conditions).

1.3.6 No person has the right (whether exercisable now or in the future and whether contingent or not) to call for the allotment, issue, sale or transfer of any share or loan capital of the Company under any option or other agreement (including conversion rights and rights of pre-emption) and there are no claims, charges, liens, equities or Encumbrances on the Shares.

2 CONSTITUTIONAL DOCUMENTS

The constitutional documents set out at 2.1.1 and 2.1.2 in the Data Room are true and accurate copies of the constitutional documents of the Company and there are no breaches by the Company of its constitutional documents which have not been rectified.

3 ACCURACY OF INFORMATION IN THIS AGREEMENT

All information contained in Schedule 1, Schedule 2, Schedule 2A, Schedule 3 and Schedule 4 of this Agreement is true and accurate in all material respects.

4 ACCOUNTS AND RECORDS

4.1 Latest Audited Accounts and accounting records

4.1.1 The Audited Accounts:

- (a) have been prepared in accordance with the law and in accordance with accounting principles, standards and practices generally accepted at the date of their preparation in The Bahamas and under IFRS; and
- (b) present fairly, in all material respects, the financial position of the Company as at the Balance Sheet Date and its financial performance and its cash flows for the year ended on such date.

4.1.2 So far as the Vendor is aware, at the Balance Sheet Date the Company did not have any Material liabilities (whether actual, contingent, unquantified or disputed) which are not adequately disclosed or provided for in the Audited Accounts.

4.1.3 All necessary books of account, ledgers and financial records kept and completed by the Company have been prepared in good faith and with due diligence, are materially accurate and reflect in all material respects, in accordance with generally accepted accounting principles and standards in the Bahamas and IFRS, and as required by all applicable laws, the assets and liabilities of the Company.

4.1.4 The books of account and ledgers of the Company are under the exclusive ownership and control of the Company.

4.2 Changes since the Balance Sheet Date

Since the Balance Sheet Date and prior to the date of this Agreement:

- 4.2.1 the Company's business has been carried on in the ordinary course, without any Material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern;
- 4.2.2 no dividend or other distribution has been declared, made or paid to the Company's members;
- 4.2.3 the Company has not allotted or issued or agreed to allot or issue any share or loan capital or any other security giving rise to a right over its capital;
- 4.2.4 the Company has not redeemed or purchased or agreed to redeem or purchase any of its share capital;
- 4.2.5 there has been no Material reduction in the aggregate value of the net assets of the Company as shown in the Audited Accounts;
- 4.2.6 no resolution of the Company's shareholders has been passed (other than resolutions relating to routine business of annual general meetings); and

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- 4.2.7 the Company has not acquired or disposed of or agreed to acquire or dispose of a material part of its business or any material asset of a value greater than B\$1,000,000, other than trading stock in the ordinary course of trading.

4.3 Corporate Performance Reports

The Corporate Performance Reports:

- 4.3.1 have been prepared in good faith, with due diligence and on the same basis and in accordance with the same accounting principles and practices, consistently applied (in all material respects), as each other; and
- 4.3.2 provide a materially accurate view of the financial state of affairs of the Company for each accounting period to which they relate.

4.4 Statutory books

The statutory books (including all registers and minute books) and books of account of the Company are up-to-date and contain materially complete and accurate records of all matters required to be dealt with in such books and all such books and records and all other material documents (including documents of title and copies of all subsisting agreements to which the Company is a party) which are the property of the Company are in its possession or under its control.

5 FINANCE

5.1 Borrowings

- 5.1.1 The Disclosure Letter sets out material particulars of all the bank accounts of the Company at the date of this Agreement (either in the Disclosure Letter itself or by reference to specified document(s) in the Data Room).
- 5.1.2 There is no material Financial Indebtedness of the Company which is overdue for payment or discharge by more than three months; "**material Financial Indebtedness**", for the purposes of this paragraph and paragraph 5.1.3, means Financial Indebtedness of an amount greater than B\$100,000.
- 5.1.3 No event has occurred which has resulted or could result in any material Financial Indebtedness of the Company becoming due and payable prior to its date of maturity and no event has occurred which is or would, with the giving of notice or the passing of time, be an event upon which any security granted by or over any property or assets of the Company could become enforceable.
- 5.1.4 The Company has not created, nor has it agreed to create and nor is there subsisting, any Encumbrance over all or any material part of its property, assets, undertaking, goodwill, reserves or share capital.
- 5.1.5 The amounts borrowed by the Company (as determined in accordance with the provisions of the relevant instrument) do not exceed any limitation on its borrowing contained in its constitution or in any debenture or other deed or document binding upon it.
- 5.1.6 The Company has no outstanding loan capital, nor has it factored any of its debts, or engaged in financing of a type which would not be required to be shown or reflected in the Audited Accounts or borrowed any money which it has not repaid.
- 5.1.7 The execution and delivery of, and performance by the Vendor under, this Agreement and any other agreements, documents and/or deeds required to be entered into by the Vendor in connection with and/or pursuant to this Agreement, will not result in the crystallisation of any Encumbrance in relation to any property owned or leased by the Company.

5.2 Insurance

- 5.2.1 Material particulars of all insurance policies of the Company as at the date of this Agreement are set out in the Disclosure Letter (either in the Disclosure Letter itself or by reference to specified document(s) in the Data Room).
- 5.2.2 In respect of the Company's insurance:
- (a) all premiums have been duly paid to date;
 - (b) all the policies are in force and, so far as the Vendor is aware, are not voidable on account of any act, omission or non-disclosure on the part of the insured party; and
 - (c) no claim is outstanding and, so far as the Vendor is aware, no circumstances exist which are likely to give rise to any claim.

5.3 Grants

Particulars of all investment or other grants, loan subsidies or financial assistance received by virtue of any statute or from any Governmental Body or other body by the Company during the previous two years prior to the date of this Agreement are set out in the Disclosure Letter (either in the Disclosure Letter itself or by reference to specified document(s) in the Data Room), and, so far as the Vendor is aware, nothing has been done or agreed as a result of which any such grant, subsidy or assistance is liable to be refused, refunded or claimed back in whole or in part.

6 TRADING AND CONTRACTUAL ARRANGEMENTS

6.1 Capital Commitments

- 6.1.1 As at the date of this Agreement, the Company does not have any outstanding obligations (with any third party) in relation to capital commitments in respect of any item having a value in excess of B\$100,000.
- 6.1.2 Details of all obligations of the Company (with any third party) in relation to capital commitments outstanding as at the date of this Agreement, in respect of any item having a value in excess of B\$100,000 are set out in the Disclosure Letter (including, in respect of each such capital commitment, the estimated cost to complete the project and the outstanding amount committed).

6.2 Contracts

- 6.2.1 All contracts for goods or services of a value in excess of B\$1,000,000 in existence at the date of this Agreement are contained in the Disclosure Letter by reference to specified documents in the Data Room. Apart from the letter of agreement dated 26 June 2008 between Research In Motion Limited and the Company, the Company is not party to any current agreement with, or other current arrangement referable to an agreement relating to, Brightstar Corp, Brightstar US Group or any other member of the wider Brightstar group.
- 6.2.2 The Company is not party to, nor liable in respect of, any contract or agreement:
- (a) made otherwise than in the ordinary and usual course of the business of the Company as carried on at the date of this Agreement;
 - (b) which is not wholly on an arm's length basis; or
 - (c) which gives the other contracting party the right to terminate the contract or to alter materially its terms, in either case as a result of any change in the control of management or shareholders of the Company.
- 6.2.3 There exists no Material offer or tender given or made by the Company which is capable of giving rise to a contract merely by the unilateral act of a third party.

6.2.4 Copies of the present standard conditions of trading of the Company (whether as buyer or seller) are set out in the Disclosure Letter (by reference to specified document(s) in the Data Room).

6.3 Guarantees etc

There is not outstanding any guarantee, indemnity or suretyship given by the Company.

6.4 Debts and Contracts with Connected Persons etc

There are:

6.4.1 no loans made by the Company to: (i) the Vendor and/or any director of the Company and/or any person connected with any of them; or (ii) any Governmental Body;

6.4.2 no debts owing to the Company by: (i) the Vendor and/or any director of the Company and/or any person connected with any of them; or (ii) any Governmental Body;

6.4.3 no debts owing by the Company other than debts which have arisen in the ordinary course of business; and

6.4.4 no securities for any such loans or debts as aforesaid.

6.5 Agreements with Connected Persons

6.5.1 There are no existing contracts to which the Company is a party and in which: (i) the Vendor and/or any director of the Company and/or any person connected with any of them; or (ii) any Governmental Body is interested whether directly or indirectly.

6.5.2 So far as the Vendor is aware, no person is authorised to act as agent for the Company or to bind the Company other than the directors of the company acting as its board and members of its executive management.

6.6 Joint Venture, Partnerships etc

As at the date of this Agreement, the Company is not, and has not agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association.

7 LEGAL MATTERS

7.1 Compliance with Laws

The Company has carried on its business in all material respects in accordance with all applicable laws, regulations and byelaws in The Bahamas and, so far as the Vendor is aware, there is no investigation or enquiry by, or order, decree or judgment of, any court or any Governmental Body outstanding or, so far as the Vendor is aware, anticipated against the Company.

7.2 Licences and Consents

7.2.1 All Material Permits necessary for the carrying on of the business of the Company (as carried on at the date of this Agreement) have been obtained and are valid and subsisting and all material conditions applicable to any such Permit have been complied with by the Company and the Vendor is not aware of any Material breach of any of them or of any intended or likely suspension, cancellation, refusal or revocation of any of them.

7.2.2 No Material Permit issued by any Governmental Body is liable to suspension, termination or material alteration as a result of a change in the control of the management or shareholders of the Company.

7.3 Compliance with Agreements

The Company has not committed any breach of, or failed to perform or observe, any provision of its memorandum or articles of association or of any material agreement to which it is a party (being an agreement referred to in paragraph 6.2.1 of this Schedule) the effect of which is material to the business of the Company, nor, so far as the Vendor is aware, has any other party to any such agreement committed any breach of, or failed to perform or observe, any provision of any such agreement the effect of which is material to the business of the Company.

7.4 Litigation

7.4.1 The Company is not subject to any outstanding order or decree of any court nor is it engaged (whether as claimant or defendant or otherwise) in any Material legal action, tribunal, proceedings or arbitration (other than as claimant in the collection of debts arising in the ordinary course of its business) and is not being prosecuted for any criminal offence and, so far as the Vendor is aware, there are no such proceedings or prosecutions pending or threatened.

7.4.2 There are no investigations, disciplinary or grievance proceedings or, so far as the Vendor is aware, other circumstances likely to lead to any such Material claim or legal action, tribunal, proceedings or arbitration (other than as aforesaid) or prosecution in which the Company may become involved.

7.5 Insolvency etc

7.5.1 No order has been made, petition presented, resolution passed or meeting convened for the winding up of the Company.

7.5.2 No petition has been presented for an administration order to be made in relation to the Company, nor has any such order been made.

7.5.3 No notice of appointment has been served appointing an administrator nor has any notice been served of an intention to appoint an administrator to the Company.

7.5.4 No receiver and/or receiver-manager has been appointed of the whole or any part of any of the property, assets and/or undertaking of the Company nor, so far as the Vendor is aware, has any power of sale or power to appoint a receiver or manager under the terms of any mortgage, charge or other security in respect of all or a material part of the assets of the Company become exercisable.

7.5.5 No distress, distraint, charging order, garnishee order, execution or other process has been levied or, so far as the Vendor is aware, applied for in respect of the whole or any part of any of the property, assets and/or undertaking of the Company.

7.5.6 The Company has not suspended or ceased carrying on all or a material part of its business.

7.6 Competition and Restrictive Practices

7.6.1 The Company is not the subject of any investigation, enquiry or proceedings by any relevant Governmental Body in connection with any actual or alleged infringement of sections 67 or 69 of the Communications Act 2009 or of any similar legislation in any other jurisdiction where the Company has assets or carries on business.

7.6.2 No such investigation, enquiry or proceedings of the nature mentioned in paragraph 7.6.1 have been threatened or are pending and, so far as the Vendor is aware, there are no circumstances likely to give rise to any such investigation, enquiry or proceedings.

7.7 Powers of Attorney

The Company has not given a power of attorney or any other authority (express, implied or ostensible) which is still outstanding or effective to any person to enter into any contract or commitment or do anything on its behalf, other than any authority to employees to enter into routine trading contracts in the normal course of their duties.

8 EMPLOYEES

8.1 Employees and Terms of Employment

- 8.1.1 Anonymised particulars in respect of each director and member of management engaged or employed by the Company at the date of this Agreement and their years of continuous service are set out in the Disclosure Letter.
- 8.1.2 Anonymised particulars of the jobs and the terms of employment of every other employee of the Company and the years of continuous service of each such employee are set out in the Disclosure Letter.
- 8.1.3 There are not in existence any contracts of service with directors or employees of the Company, nor any consultancy agreements with the Company, which cannot be terminated by six months' notice or less without giving rise to any claim for damages or compensation (other than a statutory redundancy payment or statutory compensation for unfair dismissal).
- 8.1.4 No offer of a contract of employment where the remuneration package is expected to be in excess of B\$50,000 has been made by the Company to any individual which has not yet been accepted or which has been accepted but where the individual's employment has not yet started.
- 8.1.5 Since the Balance Sheet Date, no alteration has been made in the terms of the employment or conditions of service of any director, officer, employee, or member of management of the Company, or of all, or a majority, of its employees (including in their rates of remuneration or benefits) and no negotiations are in hand between the Company and any such persons or their representatives in such regard.
- 8.1.6 No individual, whose payment package currently exceeds B\$25,000 per annum, is engaged by the Company on any basis other than as employee.

8.2 Liabilities to and for Employees

- 8.2.1 There are no amounts in excess of B\$50,000 owing to any present or former director or employee of the Company other than remuneration accrued due or for reimbursement of business expenses and no directors or employees of the Company have given or been given notice terminating their contracts of employment or engagement.
- 8.2.2 Save to the extent (if any) to which provision or allowance has been made in the Audited Accounts and, in each case, so far as the Vendor is aware:
 - (a) no liability has been incurred by the Company for breach or variation of any contract of service or for services, or for severance payments or for redundancy payments or for compensation for dismissal or for failure to comply with any order for the reinstatement or re-engagement of any employee or for race, sex, disability, sexual orientation or religion or belief discrimination; and
 - (b) there are no claims pending or threatened, or capable of arising, against the Company by an employee, director or third party, in respect of an accident or injury which is not fully covered by insurance nor by an employee or director in relation to his terms and conditions of employment or appointment.

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8.3 Compliance with Laws and Regulations

The Company has in relation to each of its employees (and so far as relevant to each of its former employees and directors) complied with (in all material respects):

- 8.3.1 all laws, regulations and codes of conduct and practice relevant to the relations between it and its employees or any trade union;
- 8.3.2 all collective agreements, workforce agreements or other arrangements, whether oral or in writing, or existing by custom and practice for the time being between the Company and any trade union or any other employee representatives and concerning the conditions of service of its employees;
- 8.3.3 all relevant orders and awards made under any relevant statutes, regulations or codes of conduct and practice affecting the conditions of service of its employees; and
- 8.3.4 payment of all Tax due.

8.4 Industrial disputes and negotiations

The Company is not involved in any industrial or trade dispute or any dispute or negotiation regarding a claim of Material importance with any trade union or association of trade unions or organisation or body of employees.

8.5 Share Incentive, Bonus Schemes etc

The Company does not have in existence any share incentive scheme, share option scheme or profit sharing scheme for all or any of its directors, officers, employees or consultants.

8.6 Industrial Agreements

The Company has not entered into any union membership, security of employment, recognition or other collective agreement (whether legally binding or not) with a trade union or any other body representing employees.

9 PENSIONS

- 9.1 Other than pursuant to the Pension Scheme, the Company does not provide or contribute to the provision of any retirement or death benefits for or in respect of any person, and has not made any representations or announcements to any person about retirement benefits being provided other than pursuant to the Pension Scheme.
- 9.2 The Company has complied, at all times, with its material obligations in respect of the Pension Scheme including paying contributions as and when required under the terms of the Pension Scheme or under any agreement with an employee or employees of the Company, and, other than as Disclosed, all contributions payable to the Pension Scheme are paid up to date.

10 TAXATION MATTERS

- 10.1 All notices, returns, computations and registrations of the Company for the purpose of Taxation (made or delivered in the two years prior to the date of this Agreement) have been made or delivered punctually on a proper basis and are correct in all material respects and none of them is or, so far as the Vendor is aware, likely to be the subject of any dispute with any Tax Authority.
- 10.2 All information supplied within the two years prior to the date of this Agreement by the Company to any Tax Authority for the purposes of Taxation was when supplied and remains complete and accurate in all material respects.
- 10.3 The Company has not become liable to pay any penalty, fine, surcharge or interest in respect of any Taxation, which is still outstanding.
- 10.4 Proper provision or reserve has been made in the Audited Accounts for all Taxation assessed or liable to be assessed on the Company or for which it is accountable.

11 ASSETS (OTHER THAN THE PROPERTIES)**11.1 Subsidiaries, Associates and Branches**

The Company:

- 11.1.1 is not the holder or beneficial owner of and has not agreed to acquire any share or loan capital of any other company (whether incorporated in The Bahamas or elsewhere); and
- 11.1.2 does not have outside The Bahamas any branch, agency or place of business, or any permanent establishment (as that expression is defined in the relevant double taxation relief orders current at the date of this Agreement).

11.2 Title to Assets

11.2.1 All assets of the Company (other than the Properties) and all debts due to it which are included in the Audited Accounts as being the property of or due to the Company or which have otherwise been represented as being the property of or due to the Company are:

- (a) used or held for the purposes of its business; and
- (b) are the absolute property of the Company, free from any Encumbrances (excepting liens arising by operation of law in the normal course of trading);

save for those assets or debts included in the Audited Accounts which have subsequently been disposed of or realised in the ordinary course of trading.

11.2.2 All Material assets (other than the Properties) used by the Company in the course of its business as it is now carried on are owned and controlled by the Company and were included in the Audited Accounts, save for those assets which have subsequently been acquired or developed in the ordinary course of trading.

11.2.3 All assets (other than the Properties) used by the Company in the course of its business as it is now carried on are owned and controlled by the Company and were included in the Audited Accounts, save for (1) those assets which have subsequently been acquired or developed in the ordinary course of trading and (2) any assets which, individually or in aggregate, are not Material.

11.3 Intellectual Property

11.3.1 All Intellectual Property Rights are either legally and beneficially owned by the Company or lawfully used with the consent of the owner and the Company has paid all registration and renewal fees that have fallen due in respect of the Intellectual Property Rights owned by it.

11.3.2 The Company has not granted, or purported to grant, to any third party any licences (whether express or implied) in respect of any of the Intellectual Property Rights nor has the Company created any equitable interest in, charged, mortgaged, effected a contingent assignment of or otherwise encumbered any of the Intellectual Property Rights.

11.3.3 No proceedings, actions or claims are pending or, so far as the Vendor is aware, threatened:

- (a) impugning the title, validity or enforceability (in whole or in part) of any of the Intellectual Property Rights or in respect of infringement of any of the Intellectual Property Rights; or
- (b) in respect of any employee's rights to compensation as the inventor or author of any of the Intellectual Property Rights; or

(c) with the intention that any third party be permitted to use any of the Intellectual Property Rights and in particular by way of compulsory licence or crown use (or a similar or analogous right in another jurisdiction).

11.3.4 The Company is not under any obligation to disclose to any person any Material trade secrets or other Material confidential information relating to the business carried on by the Company.

11.3.5 So far as the Vendor is aware, the Company is not engaged in any activity which could lead to a third party bringing a claim against the Company for passing-off, for unfair competition or for any infringement of any third party Intellectual Property Rights and the Company does not have grounds to bring an action against a third party for passing off, for unfair competition or for any infringement of the Company's Intellectual Property Rights.

11.3.6 The Company is registered with the relevant naming authority as the owner of the rights in all domain names that are used for the internet domains from which the Company carries on its business, such domain names being set out in Schedule 2A.

11.3.7 So far as the Vendor is aware, the ownership of the Company's rights in the domain names set out at Schedule 2A is not disputed by any third party.

12 INFORMATION TECHNOLOGY

12.1 Communications and Computer Systems

12.1.1 The Company owns free from all Encumbrances or is licensed to use all communications and computer systems (including, without limitation, all hardware, firmware, software (other than shrink-wrap software sold in standard configuration and readily available on standard terms and conditions)) and peripherals used in connection with the business of the Company and they are:

- (a) in the possession of or under the control of the Company; and
- (b) subject to support and maintenance arrangements, whether provided by the Company's own employees or third parties.

12.1.2 The Company has not experienced within the 12 months preceding the date of this Agreement any mechanical or software failure in respect of any of the communications and software systems operated by it at any time, which had a Material and adverse effect on the operation of the Company's business.

12.2 Data

So far as the Vendor is aware, all collections of data in machine-readable form relating to the business of the Company (including databases relating to customers, suppliers and employees) are in the possession or under the control of the Company and have been collected and are held in accordance with all applicable laws.

13 FREEHOLD AND LEASEHOLD PROPERTY

13.1 The Properties

13.1.1 The Properties comprise all of the premises and land owned, occupied and/or used in connection with the business of the Company and the Company has not received notice from the relevant governmental regulatory body that it is in breach of any applicable planning legislation or other legislation regarding the use of any of the Properties and, so far as the Vendor is aware, the Company's use of each of the Properties complies with all such applicable planning legislation.

13.1.2 The Company has a good and marketable title to each of the Properties listed in Part 1A of Schedule 4.

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- 13.1.3 The Company is in continuous, exclusive and undisturbed possession and enjoyment of each of the Properties listed in Part 1B of Schedule 4 openly as of right without payment or acknowledgement being made to any other person and without any claim adverse to the Company's title being made.
- 13.1.4 There are no mortgages or charges, legal or equitable, fixed or floating, affecting any of the Properties, the Company has not received any written notice from any person claiming to have any lien on any of the Properties and, so far as the Vendor is aware, no person has, or claims to have, any lien on any of the Properties or any documents of title relating to the Properties.
- 13.1.5 The Company has not received any written notice that it has, by its use or occupation of any of the Properties, contravened any lease or other right under which it occupies the same and/or any requirement or restriction having the force of law and, so far as the Vendor is aware, the Company has not received any written notice that it has failed to comply with any covenants, conditions, restrictions, statutory and other requirements, bye laws, orders and regulations (including in respect of planning and/or building control) affecting any of the Properties.
- 13.1.6 So far as the Vendor is aware, there exists no dispute between the Company and the landlord or the tenant or occupier of any of the Properties (or any of them, or any part of any of them) or the owner or occupier of any other premises adjacent to any of the Properties and the Company has not received any written notice of any such dispute.
- 13.1.7 Save for the Properties, the Company does not own, occupy or otherwise use or have any interest in any land or buildings (whether of freehold, leasehold or other tenure) nor any obligations to acquire any such interest.

13.2 Leasehold Properties

In relation to the Properties listed in Part 2 of Schedule 4:

- 13.2.1 the Company has not received written notice of any material subsisting breaches or any material non-observance of any covenant, condition or agreement contained in the relevant lease or licence on the part of the Company and no landlord has refused to accept rent;
- 13.2.2 no rent reviews are currently under negotiation or the subject of a reference to any expert or arbitrator or the courts.
- 13.2.3 the Company has not received any written notice that a landlord intends to break the term of any lease or to exercise any power of entry upon or right to be in possession of any of such Properties;
- 13.2.4 the Company has not received any written notice from any landlord claiming arrears of rent and/or service charge in respect of any of such Properties; and
- 13.2.5 so far as the Vendor is aware the Company has not received any other notice (otherwise than in writing) of any of the matters referred to in paragraphs 13.2.1, 13.2.3 or 13.2.4.

SCHEDULE 7
LIMITATIONS ON LIABILITY

Part 1

1 FINANCIAL LIMITS

1.1 Minimum limit for individual Warranty Claims

The Vendor shall have no liability whatsoever in respect of any individual Warranty Claim (or a series of Warranty Claims arising from the same or similar facts or circumstances) unless the amount that would otherwise be recoverable from the Vendor in respect of that Warranty Claim (the "**Claim Amount**") excluding interest, costs and expenses not quantifiable at the time of notification pursuant to paragraph 2 of this Part exceeds US\$50,000.

1.2 Threshold for Warranty Claims

The Vendor shall have no liability whatsoever in respect of any individual Warranty Claim unless and until the Claim Amount, when aggregated with any other Claim Amounts in respect of other Warranty Claims (excluding any amounts in respect of a Warranty Claim for which the Vendor has no liability by virtue of paragraph 1.1 of this Part), exceeds US\$750,000 but in the event that the aggregate amount exceeds US\$750,000 the Vendor shall be liable for the whole amount and not just the excess.

1.3 Limits on Regulatory Undertakings Claims

Without prejudice to clause 12.2, the liability of the Vendor in respect of any Regulatory Undertakings Claims shall be limited as follows:

- 1.3.1 the aggregate liability of the Vendor for any breaches of the Regulatory Undertakings that occur in the period from Completion up to and including the first anniversary of Completion shall be limited to US\$100,000,000;
- 1.3.2 the aggregate liability of the Vendor for any breaches of the Regulatory Undertakings that occur in the period from the first anniversary of Completion up to and including the second anniversary of Completion shall be limited to US\$80,000,000;
- 1.3.3 the aggregate liability of the Vendor for any breaches of the Regulatory Undertakings that occur in the period from the second anniversary of Completion up to and including the third anniversary of Completion shall be limited to US\$40,000,000;
- 1.3.4 the aggregate liability of the Vendor for any breaches of the Regulatory Undertakings that occur in the period from the third anniversary of Completion up to and including the fourth anniversary of Completion shall be limited to US\$20,000,000; and
- 1.3.5 the aggregate liability of the Vendor for any breaches of the Regulatory Undertakings that occur in the period from the fourth anniversary of Completion up to and including the fifth anniversary of Completion shall be limited to US\$20,000,000.

1.4 Maximum Limit for all Relevant Claims

The aggregate liability of the Vendor in respect of all Relevant Claims shall not exceed the Consideration (plus, in respect of clause 6.8.3(b) only, any stamp duty that is paid by the Vendor in accordance with clause 18.2), provided that the aggregate liability of the Vendor in respect of Business Warranty Claims shall not exceed an amount equal to US\$73,500,000, being 35% of the Consideration.

2 LIMITATION PERIODS

- 2.1 The Vendor shall have no liability for any Warranty Claim unless notice in writing of the Warranty Claim (stating in reasonable detail the nature of the Warranty Claim and, so far as practicable, the

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amount claimed) has been given to the Vendor on or before the date being 18 months after the Completion Date.

- 2.2 The Vendor shall have no liability for any Regulatory Undertakings Claim or Regulatory Payment Claim unless notice in writing of the Regulatory Undertakings Claim or, as the case may be, Regulatory Payment Claim has been given to the Vendor as soon as reasonably practicable but in any event within 180 days of the Purchaser becoming aware of a breach of the relevant Regulatory Undertaking, or as the case may be, of a right to a Regulatory Payment arising with the last possible date for notification of Regulatory Undertakings Claims and Regulatory Payment Claims being on or before the date that is 180 days after the fifth anniversary of Completion.
- 2.3 The Purchaser shall in the notice referred to in paragraph 2.2 of this Part include reasonable detail regarding the Regulatory Undertakings Claim or Regulatory Payment Claim and, if possible, the amount claimed (although failure to include such detail or information shall in no way affect or limit the Vendor's liability for any Regulatory Undertakings Claim or Regulatory Payment Claim).
- 2.4 Subject to paragraph 3.1 of Part 2 of this Schedule 7, any Warranty Claim, Regulatory Undertakings Claim or Regulatory Payment Claim which has been made against the Vendor and which has not been previously satisfied, settled or withdrawn shall be deemed to have been withdrawn and shall become fully barred and unenforceable on the expiry of the period of 12 months commencing on the date on which notice of the Warranty Claim was given to the Vendor in accordance with paragraph 2.1 of this Part or paragraph 2.2 in the case of a Regulatory Undertakings Claim or Regulatory Payment Claim, unless proceedings in respect of the Warranty Claim or Regulatory Undertakings Claim or Regulatory Payment Claim shall have been issued and served on the Vendor:

- 2.4.1 within such 12 month period; or
- 2.4.2 in circumstances where the notified claim relates to a claim which is contingent or not quantifiable, by the end of such 12 month period or by the end of six months after such claim ceases to be contingent or unquantifiable (whichever is later),

and such proceedings are being pursued with reasonable diligence.

3 EXCLUSIONS OF LIABILITY UNDER CERTAIN CIRCUMSTANCES

3.1 Voluntary Events at Purchaser's request

The Vendor shall have no liability whatsoever in respect of any Business Warranty Claim to the extent that the matter giving rise to the Business Warranty Claim arises from any event occurring at any time at the written request or written direction of, or with the written consent of, any member of the Purchaser's Group (including, without limitation, pursuant to clause 5.8).

3.2 Recovery from a person other than the Vendor

- 3.2.1 If the Purchaser becomes aware after Completion of any fact(s) which give rise to a Business Warranty Claim, and any member of the Purchaser's Group has a right to make recovery or is entitled to claim indemnity from any person other than the Vendor, whether under any provision of applicable law, insurance policy or otherwise howsoever, then the Purchaser shall notify the Vendor of that right, to the extent permitted by law and regulation.
- 3.2.2 To the extent that any member of the Purchaser's Group receives any sum by reason of the enforcement of any right to make recovery or claim indemnity from any person other than the Vendor in respect of a Business Warranty Claim, then either the Vendor's liability in relation to such Business Warranty Claim shall be reduced by the amount recovered, or, if any sum has already been paid by or on behalf of the Vendor in satisfaction of the Business Warranty Claim, then the Purchaser shall (or shall procure that the relevant member of the Purchaser's Group shall) pay the amount recovered to the Vendor in accordance with the terms of paragraph 6 of Part 2 of this Schedule.

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3.3 Failure by Purchaser to follow claims procedure

If any member of the Purchaser's Group acts otherwise than in accordance with paragraph 3 of Part 2 below in connection with a matter giving rise to a Business Warranty Claim, the Vendor shall not be liable to the extent that such act gives rise to or increases its liability under the Business Warranty.

3.4 Business Warranty Claim is already accounted for in the Audited Accounts, the Corporate Performance Reports or the Completion Statements

The Vendor shall have no liability whatsoever in respect of any Business Warranty Claim to the extent that the matter giving rise to the Business Warranty Claim was the subject of a specific reserve or provision in the Audited Accounts, the Corporate Performance Reports or the Completion Statements.

3.5 Business Warranty Claim arises as a result of change in accounting principles

The Vendor shall have no liability whatsoever in respect of any Business Warranty Claim to the extent that the matter giving rise to a Business Warranty Claim arises wholly or partly out of or the amount thereof is increased as a result of any change in the accounting principles or practices or accounting reference date of the Company introduced or having effect after the date hereof.

3.6 Exclusion of Liability for Disclosed matters

The Vendor shall have no liability in respect of any Warranty Claim to the extent that the loss or alleged loss is attributable to any fact or other matter Disclosed in the Data Room or the Disclosure Letter.

3.7 Period between Signing and Completion

The Vendor shall have no liability in respect of any claim by the Purchaser for any breach of the Warranties, as repeated at Completion, in respect of matters occurring in the period between the date of this Agreement and Completion to the extent that such claim relates to a matter that is outside the reasonable control of the Vendor including, but not limited to, any acts of URCA and Force Majeure.

3.8 Exclusion of contingent liabilities

3.8.1 The Vendor shall have no liability for damages in respect of any Relevant Claim the liability for which is contingent only, unless and until such contingent liability becomes an actual liability.

3.8.2 The Purchaser shall have no liability for damages in respect of any matter giving rise to any claim (whether in contract, tort or otherwise) by the Vendor in respect of this Agreement the liability for which is contingent only, unless and until such contingent liability becomes an actual liability.

4 PURCHASER KNOWLEDGE

The Purchaser confirms that:

4.1 it has not relied on any representation, warranty, covenant or undertaking of the Vendor or any other person save for any representation, warranty, covenant or undertaking set out in this Agreement or the Shareholders' Agreement; and

4.2 neither it nor any of its directors are aware as at the date of this Agreement of any Warranty Claim.

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Part 2

1 DUTY TO MITIGATE

Nothing in this Schedule shall in any way restrict or limit any general obligation at law of: (i) each of the Purchaser, the Company and each member of the Purchaser's Group to mitigate any loss or damage which it may suffer in consequence of any matter giving rise to any Relevant Claim; or (ii) the Vendor to mitigate any loss or damage which it may suffer in consequence of any matter giving rise to any claim (whether in contract, tort or otherwise) by the Vendor in respect of this Agreement.

2 NO DOUBLE RECOVERY

- 2.1 The Purchaser shall not be entitled to recover more than once in respect of any one matter giving rise to a Relevant Claim. Without prejudice to the generality of the foregoing, the Vendor shall not be liable pursuant to any Regulatory Payment Claim to the extent it is liable, and the Purchaser is able to recover, in respect of a Relevant Undertakings Claim.
- 2.2 The Vendor shall not be entitled to recover more than once in respect of any one matter giving rise to a claim (whether in contract, tort or otherwise) by the Vendor in respect of this Agreement.

3 CLAIMS PROCEDURE UNDER THE WARRANTIES

If any member of the Purchaser's Group becomes aware of any claim by a third party which might reasonably be expected to give rise to a Warranty Claim (a "Third Party Claim") the following provisions shall apply:

- 3.1 the Purchaser shall as soon as reasonably practicable (and in any event within 10 business days of becoming aware of the Third Party Claim) give written notice to the Vendor or shall procure that written notice is given to the Vendor of the Third Party Claim and shall consult with the Vendor with respect to the matter giving rise to the Third Party Claim (and, in the event that such matter is remediable, the Purchaser shall not be entitled to pursue the Warranty Claim (save to give notice thereof for the purpose of paragraph 2.1 of Part 1 of this Schedule 7) until the Vendor has been given 30 days from the date of such notice to remedy the same (the "Remedy Period") and, in such circumstances, the 12 month period referred to in paragraph 2.4 of Part 1 of this Schedule 7 shall commence from the end of the Remedy Period);
- 3.2 the Purchaser shall provide, and shall procure that each member of the Purchaser's Group will provide, to the Vendor and the Vendor's professional advisers, reasonable access to premises and personnel and to any relevant assets, documents and records within their power, possession or control for the purpose of investigating the matter and enabling the Vendor to take such action as is referred to in paragraph 3.1 of this Part;
- 3.3 the Vendor, at its expense, shall be entitled to take copies of any of the documents or records, and photograph any premises or assets, referred to in paragraph 3.2 of this Part provided that the Vendor agrees to keep any information received under this paragraph confidential in terms acceptable to the Purchaser (acting reasonably);
- 3.4 subject to paragraph 3.5 of this Part, the Purchaser shall, and shall procure that each member of the Purchaser's Group will, to the extent permitted by law and regulation, take such action and institute such proceedings, and give such information and assistance, as the Vendor may reasonably request to:
- 3.4.1 avoid dispute, resist, appeal, compromise, defend, remedy or mitigate the Third Party Claim; or
- 3.4.2 in connection with any proceedings relating to the Third Party Claim (other than against the Vendor) use professional advisers satisfactory to the Vendor (acting reasonably) and, if the Vendor so requests, allow the Vendor the sole conduct of the proceedings (in which case the Vendor shall regularly inform the Purchaser of the progress of such proceedings),

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and in each case on the basis that the Vendor shall fully indemnify the Purchaser and each member of the Purchaser's Group for and against any claims, demands, proceedings, actions, payments, losses or reasonable costs or expenses (or any Taxation thereon) incurred in respect of the Third Party Claim or as a result of any such request or nomination by the Vendor;

- 3.5 if the Purchaser considers (acting reasonably) that complying with any request of the Vendor pursuant to clause 3.4 would be reasonably likely to have a Material adverse effect on the Company, the Purchaser may at any time and from time to time (having given reasonable prior written notice to the Vendor) decide that the provisions of paragraph 3.4 of this Part shall not apply and the Purchaser shall have sole conduct of any Third Party Claims. Notwithstanding this, the Purchaser will be under a duty to regularly consult with the Vendor with respect to the matter;
- 3.6 neither the Vendor nor the Purchaser nor any member of the Purchaser's Group will, admit liability in respect of or compromise or settle the matter with any third party in relation to any Third Party Claim without the prior written consent of the other party, such consent not to be unreasonably withheld or delayed;
- 3.7 neither party shall be entitled to withhold its consent for the purposes of paragraph 3.6 of this Part in circumstances where an independent lawyer (an "Expert"), unconnected with either party, admitted to the Bahamas Bar Association with at least 10 years' practical experience in The Bahamas (acting as an expert and not as an arbitrator), having been provided with all relevant information regarding the Third Party Claim, has advised that, in his reasonable opinion, the terms of the admission, agreement, settlement or compromise, taken as a whole, are reasonable; and
- 3.8 the appointment of any Expert shall be agreed between the Vendor and the Purchaser or, in the absence of such agreement, appointed at the instance of either of them by the President for the time being of the Bahamas Bar Association. Each party shall be given the opportunity to make representations to the Expert as to whether the terms of the admission, agreement, settlement or compromise, taken as a whole, are reasonable.

4 VENDOR'S LIABILITY INSURANCE

If at any time after the date of this Agreement the Vendor wishes to take out insurance against its liabilities in respect of Relevant Claims, the Purchaser shall, at the Vendor's expense, as permitted by law and regulation (and subject to any obligations of confidentiality) provide such information as any prospective insurer may reasonably require before effecting the insurance provided that the Vendor and any such insurer agree to keep any information received under this paragraph confidential in terms acceptable to the Purchaser (acting reasonably).

5 PURCHASER TO PRESERVE ALL RECORDS ETC.

The Purchaser shall, and shall procure that the Company shall, take all reasonable steps to preserve all documents, records, correspondence, accounts and other information whatsoever relevant to a matter which may give rise to a Relevant Claim.

6 VENDOR TO BE REPAID AMOUNTS RECOVERED BY PURCHASER FROM THIRD PARTIES

- 6.1 If the Vendor pays to any member of the Purchaser's Group an amount in respect of a Warranty Claim and any member of the Purchaser's Group subsequently receives from a third party an actual amount of damages or proceeds of an insurance policy which is referable to the matter giving rise to that Warranty Claim:
- 6.1.1 if the amount paid by the Vendor in respect of the Warranty Claim is more than the Sum Recovered (as defined below), the Purchaser shall (or, as appropriate, shall procure that the relevant member of the Purchaser's Group shall) as soon as reasonably practicable (and, in any event, within 20 business days of the date on which the relevant member of the Purchaser's Group received the Sum Recovered in cleared funds) pay the Vendor the Sum Recovered; and
- 6.1.2 if the amount paid by the Vendor in respect of the Warranty Claim is less than or equal to the Sum Recovered, the Purchaser shall (or, as appropriate, shall procure that the relevant member of the Purchaser's Group shall) as soon as reasonably practicable

(and, in any event, within 20 business days of the date of which relevant member of the Purchaser's Group received the Sum Recovered in cleared funds) pay the Vendor an amount equal to the amount paid by the Vendor.

- 6.2 For the purposes of paragraph 6.1 of this Part, the expression "**Sum Recovered**" means an amount equal to either (i) if the actual amount of damages or proceeds of an insurance policy received from the third party is paid by such third party to the Purchaser or the Consideration Guarantor, such amount so received by the Purchaser or the Consideration Guarantor or (ii) if the actual amount of damages or proceeds of an insurance policy received from the third party is paid by such third party to a member of the Purchaser's Group other than the Purchaser or the Consideration Guarantor (the "**recipient**"), that percentage of such amount so received as is the same as the percentage of the Consideration Guarantor's equity interest, direct or indirect, in the recipient (at the time of receipt of the damages or proceeds), in each case less any Tax computed by reference to the amount recovered from the third party payable by any member of the Purchaser's Group and less all reasonable costs and expenses incurred by any member of the Purchaser's Group in recovering the amount from the third party.

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SCHEDULE 8
PRO-FORMA STATEMENTS etc.

Table 1 – Net Working Capital

| (B\$ in 000's) | (1) Target Net Working Capital ("A") | (2) Completion Statement Net Working Capital ("B") |
|---|---|---|
| Current Assets | | |
| Accounts Receivables (excluding interest receivable) | 47,900 | X |
| Inventories | 14,200 | X |
| Other Assets (including any prepayments of regulatory licence fees and other prepayments) | 9,200 | X |
| Total Current Assets | 71,300 | X |
| Current Liabilities | | |
| Amounts payable and accruals (excluding interest payable) | (31,000) | X |
| Security Deposits from Customers | (21,700) | X |
| Deferred Income | (12,500) | X |
| Relevant Capex Accrual | (0) | X |
| Total Current Liabilities | 65,200 | X |
| Net Working Capital | 6,100 | X |

Table 2 – Net Cash

| | (1) Net Cash as at 30 November 2010 (for illustrative purposes only) | (2) Completion Statement Net Cash ("D") |
|---|---|--|
| (B\$ in 000's) | | |
| Cash | | |
| Cash in Hand or at Bank | 65,800 | X |
| Accrued Interest | 1,200 | X |
| Marketable Securities and Other Liquid Investments | 21,700 | X |
| Less: | | |
| Restricted Cash at Bank | (1,800) | X |
| Restricted Marketable Securities and Other Liquid Investments | (18,900) | X |
| Total Cash | 68,000 | X |
| Financial Indebtedness | | |
| Borrowings | (36,400) | X |
| Overdraft | (0) | X |
| Accrued Interest | (300) | X |
| Acceptance Credit or Similar Facilities | (0) | X |
| Loan Stocks | (0) | X |
| Lease Back Arrangements | (0) | X |
| Other (Purpose of which is to Borrow Money) | (0) | X |
| Net Position in Derivative Financial Instruments | (2,400) | X |
| Total Financial Indebtedness | (39,100) | X |
| Net Cash | 28,900 | X |

Table 4 – Capex

| # | Project Description | (2) Expected External Cost Before Feb 28, 2011 (A) | (3) Expected External Cost After Feb 28, 2011 (B) | (4) Milestone By Feb 28, 2011 | (5) Completion Statement Achieved? (Yes / No) | (6) Completion Statement Actual External Cost (C) | (7) Completion Statement Deficit (D) (P1-P17: D=A-C; P18-P19: D=B-C) |
|--------------|---|---|--|---|--|--|--|
| 1 | NEXT GENERATION NETWORK (NGN) - PHASE III (Portion committed to be executed before February 28, 2011) | \$ 5,000,000 | NA | All civil works completed; all equipment located in the islands | X | X | X |
| 2 | IT - CUSTOMER CARE BILLING SYSTEM (Portion committed to be executed before February 28, 2011) | \$ 1,200,000 | NA | Refer to Cerillion Recovery Plan in VDR (3.10.131 page 4) | X | X | X |
| 3 | FAMILY ISLAND GSM COVERAGE & CAPACITY EXPANSION 850 / 1900 MHZ FREQUENCY BANDS | \$ 425,328 | NA | Land documentation in hand and tower contractor mobilized | X | X | X |
| 4 | MESSAGE GATEWAY AND UNSTRUCTURED SUPPLEMENTARY SERVICES DATA (USSD) | \$ 400,332 | NA | 50% of Integration Testing completed | X | X | X |
| 5 | GSM NETWORK CAPACITY UPGRADE & 850 OVERLAY NEW PROVIDENCE, GRAND BAHAMA & ABACO | \$ 400,000 | NA | Land documentation in hand and tower contractor mobilized | X | X | X |
| 6 | INTERNET PROTOCOL VERSION 6 (IPv6) | \$ 347,862 | NA | Materials, custom clearance and vendor mobilization | X | X | X |
| 7 | RELOCATION OF THE LYNDEN PINDLING INTERNATIONAL AIRPORT (LPIA) TELEPHONE ROOM | \$ 201,000 | NA | 95% advance, customer migration pending | X | X | X |
| 8 | TEKNO SST LINKS EXPANSION | \$ 163,385 | NA | Equipment in country (The Bahamas) | X | X | X |
| 9 | INVERTER REPLACEMENT SYSTEM FOR CAMPERDOWN | \$ 125,000 | NA | Inverters installed and ready for acceptance testing | X | X | X |
| 10 | DIRECT TOP-UP SOLUTION (TECHNICAL CENTER POINCIANNA DR.) | \$ 120,000 | NA | Testing completion | X | X | X |
| 11 | SMARTTRUST HOSTED SOLUTION | \$ 110,000 | NA | Project Completion | X | X | X |
| 12 | PHASE 3 - IP/MP/LS UPGRADE AND REDUNDANCY | \$ 48,270 | NA | Completed physical installation and commenced testing | X | X | X |
| 13 | SAN SALVADOR DC POWER PLANT REPLACEMENT | \$ 34,000 | NA | Power plant on site (San Salvador) | X | X | X |
| 14 | KEMPS BAY, ANDROS DC POWER PLANT REPLACEMENT | \$ 22,226 | NA | Power plant on site (Kemps Bay, Andros) | X | X | X |
| 15 | GREEN CASTLE, ELEUTHERA DC POWER PLANT REPLACEMENT | \$ 22,000 | NA | Power plant on site (Green Castle, Eleuthera) | X | X | X |
| 16 | ROLLE TOWN, EXUMA DC POWER PLANT REPLACEMENT | \$ 22,000 | NA | Power plant on site (Rolle Town, Exuma) | X | X | X |
| 17 | SESSION INITIATION PROTOCOL (SIP) CAPABLE WIRELINE VOICEMAIL | \$ 15,000 | NA | Installation completed and acceptance testing initiated | X | X | X |
| 18 | NEXT GENERATION NETWORK (NGN) - PHASE III (Portion committed to be executed after February 28, 2011) | NA | \$ 5,400,000 | NA | NA | X | X |
| 19 | IT - CUSTOMER CARE BILLING SYSTEM (Portion committed to be executed after February 28, 2011) | NA | \$ 1,000,000 | NA | NA | X | X |
| Total | | \$ 8,656,403 | \$ 6,400,000 | | | Relevant Capex Accrual | X |

Notes:
 (i) All expected and completion costs correspond to costs after December 31, 2010.
 (ii) For projects #1 through #17, the deficit (if any) to be inserted in the "Completion Statement Deficit (D=A-C)" column will be calculated based on the following methodology:
 (i) If the milestone has been achieved in full at Completion, the deficit (D) is equal to zero.
 (ii) If the milestone has not been achieved in full at Completion and the completion statement actual external cost (C) is higher than the expected external cost before February 28, 2011 (A), then the deficit (D) is equal to zero.
 (iii) If the milestone has not been achieved in full at Completion and the completion statement actual external cost (C) is lower than the expected external cost before February 28, 2011 (A), then the deficit (D) is equal to the difference between the expected external cost before February 28, 2011 (A) and the completion statement actual external cost (C) (i.e. A-C).
 (iv) For projects #18 and #19, the deficit (if any) to be inserted in the "Completion Statement Deficit (D=B-C)" column will be the amount equal to the higher of (a) "B" minus "C" and (b) nil.
 (v) For the avoidance of doubt, none of the deficits (D) will be a negative number.
 (vi) For the avoidance of doubt, project #18 includes Sonus Networks migration support activities limited to a specific timeframe agreed between the Company and Sonus Networks as at the date of this agreement.

IN WITNESS WHEREOF The Treasurer of the Commonwealth of The Bahamas hereunto affixed her hand and corporate seal on the 27 day of February, 2011.

[Signature]

THE CORPORATE SEAL of the said Treasurer was affixed hereto by the said Treasurer and the said Treasurer affixed her signature hereto in the presence of:-

[Signature]

EXECUTED as TRUSTEE DEED by)
DAVID SHAW)
for and on behalf of CWC BAHAMAS)
HOLDINGS LIMITED

[Signature]

[Signature of Party]

Witness Name:

DAVID KELHAM

Witness Occupation:

LFO

Witness Address:

Castilian Gough Road
Plot GUS1 4L
UK

EXECUTED as DAVID SHAW a DEED by)
for and on behalf of CABLE & WIRELESS)
COMMUNICATIONS PLC

[Signature]

[Signature of Party]

Witness Name:

DAVID KELHAM

Witness Occupation:

LFO

Witness Address:

Castilian Gough Road
Plot GUS1 4L
UK

[Handwritten marks]

EXECUTED as a DEED
DAVID SHAW
for and on behalf of CABLE & WIRELESS
(WEST INDIES) LIMITED

by

 David Kelham

[Signature of Party]

Witness Name:

DAVID KELHAM

Witness Occupation:

LFO

Witness Address:

Chastillon
Gough Road
West GUYANA
41K

DS
