to such a transferee if the Certificate representing such shares of MCI Common Stock is presented to the Exchange Agent, accompanied by all documents required to evidence and effect such transfer and to evidence that any applicable stock transfer taxes have been paid.

2.3 Distributions with Respect to Unexchanged Shares. No dividends or other distributions declared or made with respect to shares of WorldCom Common Stock with a record date after the Effective Time shall be paid to the holder of any unsurrendered Certificate with respect to the shares of WorldCom Common Stock that such holder would be entitled to receive upon surrender of such Certificate and no cash payment in lieu of fractional shares of WorldCom Common Stock shall be paid to any such holder pursuant to Section 2.5 until such holder shall surrender such Certificate in accordance with Section 2.2. Subject to the effect of applicable laws, following surrender of any such Certificate, there shall be paid to such holder of shares of WorldCom Common Stock issuable in exchange therefor, without interest, (a) promptly after the time of such surrender, the amount of any cash payable in lieu of fractional shares of WorldCom Common Stock to which such holder is entitled pursuant to Section 2.5 and the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole shares of WorldCom Common Stock, and (b) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such surrender payable with respect to such shares of WorldCom Common Stock.

2.4 No Further Ownership Rights in MCI Common Stock. All shares of WorldCom Common Stock issued and cash paid upon conversion of shares of MCI Common Stock in accordance with the terms of Article I and this Article II (including any cash paid pursuant to Section 2.3 or 2.5) shall be deemed to have been issued or paid in full satisfaction of all rights pertaining to the shares of MCI Common Stock.

2.5 No Fractional Shares of WorldCom Common Stock. (a) No certificates or scrip or shares of WorldCom Common Stock representing fractional shares of WorldCom Common Stock shall be issued upon the surrender for exchange of Certificates and such fractional share interests will not entitle the owner thereof to vote or to have any rights of a shareholder of WorldCom or a holder of shares of WorldCom Common Stock.

(b) Notwithstanding any other provision of this Agreement, each holder of shares of MCI Common Stock exchanged

pursuant to the Merger who would otherwise have been entitled to receive a fraction of a share of WorldCom Common Stock (after taking into account all Certificates delivered by such holder) shall receive, in lieu thereof, cash (without interest) in an amount equal to the product of (i) such fractional part of a share of WorldCom Common Stock multiplied by (ii) the last sales price per share of WorldCom Common Stock quoted on NASDAQ on the Closing Date. As promptly as practicable after the determination of the amount of cash, in any, to be paid to holders of fractional interests, the Exchange Agent shall so notify WorldCom, and WorldCom shall cause the Surviving Corporation to deposit such amount with the Exchange Agent and shall cause the Exchange Agent to forward payments to such holders of fractional interests subject to and in accordance with the terms hereof.

2.6 Termination of Exchange Fund. Any portion of the Exchange Fund which remains undistributed to the holders of Certificates for twelve months after the Effective Time shall be delivered to the Surviving Corporation or otherwise on the instruction of the Surviving Corporation, and any holders of the Certificates who have not theretofore complied with this Article II shall thereafter look only to the Surviving Corporation and WorldCom for the Merger Consideration with respect to the shares of MCI Common Stock formerly represented thereby to which such holders are entitled pursuant to Section 1.8 and Section 2.2, any cash in lieu of fractional shares of WorldCom Common Stock to which such holders are entitled pursuant to Section 2.5 and any dividends or distributions with respect to shares of WorldCom Common Stock to which such holders are entitled pursuant to Section 2.3. Any such portion of the Exchange Fund remaining unclaimed by holders of shares of MCI Common Stock five years after the Effective Time (or such earlier date immediately prior to such time as such amounts would otherwise escheat to or become property of any Governmental Entity (as defined in Section 3.1(c)(iii))) shall, become the property of the Surviving Corporation free and clear of any claims or interest of any Person previously entitled thereto.

2.7 No Liability. None of WorldCom, Merger Sub, MCI, the Surviving Corporation or the Exchange Agent shall be liable to any Person in respect of any Merger Consideration from the Exchange Fund delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

2.8 Investment of the Exchange Fund. The Exchange Agent shall invest any cash included in the Exchange Fund as directed by the Surviving Corporation on a daily basis. Any interest and other income resulting from such investments shall promptly be paid to the Surviving Corporation.

2.9 Lost Certificates. If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Corporation, the posting by such Person of a bond in such reasonable amount as the Surviving Corporation may direct as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will deliver in exchange for such lost, stolen or destroyed Certificate the applicable Merger Consideration with respect to the shares of MCI Common Stock formerly represented thereby, any cash in lieu of fractional shares of WorldCom Common Stock, and unpaid dividends and distributions on shares of WorldCom Common Stock deliverable in respect thereof, pursuant to this Agreement.

2.10 Withholding Rights. Each of the Surviving Corporation and WorldCom shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of shares of MCI Common Stock such amounts as it is required to deduct and withhold with respect to the making of such payment under the Code and the rules and regulations promulgated thereunder, or any provision of state, local or foreign tax law. To the extent that amounts are so withheld by the Surviving Corporation or WorldCom, as the case may be, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the holder of the shares of MCI Common Stock in respect of which such deduction and withholding was made by the Surviving Corporation or WorldCom, as the case may be.

2.11 Further Assurances. At and after the Effective Time, the officers and directors of the Surviving Corporation will be authorized to execute and deliver, in the name and on behalf of MCI or Merger Sub, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of MCI or Merger Sub, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Corporation any and all right, title and interest in, to and under any of the rights, properties or assets acquired or to be acquired by the Surviving Corporation as a result of, or in connection with, the Merger.

2.12 Stock Transfer Books. At the close of business, New York City time, on the day the Effective Time occurs, the stock transfer books of MCI shall be closed and there shall be no further registration of transfers of shares of MCI Common Stock thereafter on the records of MCI. From and after the Effective Time, the holders of Certificates shall cease to have any rights with respect to such shares of MCI Common Stock formerly

represented thereby, except as otherwise provided herein or by law. On or after the Effective Time, any Certificates presented to the Exchange Agent or WorldCom for any reason shall be converted into the Merger Consideration with respect to the shares of MCI Common Stock formerly represented thereby, any cash in lieu of fractional shares of WorldCom Common Stock to which the holders thereof are entitled pursuant to Section 2.5 and any dividends or other distributions to which the holders thereof are entitled pursuant to Section 2.3.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of MCI. Except as set forth in the MCI Disclosure Schedule delivered by MCI to WorldCom prior to the execution of this Agreement (the "MCI Disclosure Schedule") (each section of which qualifies the correspondingly numbered representation and warranty or covenant to the extent specified therein), MCI represents and warrants to WorldCom as follows:

(a) Organization, Standing and Power. Each of MCI and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary other than in such jurisdictions where the failure so to qualify would not, either individually or in the aggregate, have a Material Adverse Effect (as defined in Section 8.11(c)) on MCI. The copies of the certificate of incorporation and by-laws of MCI which were previously furnished to WorldCom are true, complete and correct copies of such documents as in effect on the date of this Agreement.

(b) Capital Structure. (i) As of October 31, 1997, the authorized capital stock of MCI consisted of (A) 2,000,000,000 shares of Ordinary Common Stock, of which 565,301,683 shares were outstanding and (B) 500,000,000 shares of Class A Common Stock, of which 135,998,932 shares were outstanding and (C) 50,000,000 shares of preferred stock, of which 10,000,000 shares of Series E Junior Participating Preferred Stock have been designated and reserved for issuance upon exercise of the rights (the "Rights") distributed to the

holders of MCI Common Stock pursuant to the Rights Agreement dated as of September 30, 1994 between MCI and Mellon Bank, N.A., as rights agent, as amended (the "Rights Agreement"). Since October 31, 1997 to the date of this Agreement, there have been no issuances of shares of the capital stock of MCI or any other securities of MCI other than issuances of shares (and accompanying Rights) pursuant to options or rights outstanding as of October 31, 1997 under the Benefit Plans (as defined in Section 8.11(i)) of MCI. All issued and outstanding shares of the capital stock of MCI are duly authorized, validly issued, fully paid and nonassessable, and no class of capital stock (other than Class A Common Stock) is entitled to preemptive rights. There were outstanding as of October 31, 1997 no options, warrants or other rights to acquire capital stock from MCI other than (v) the Rights, (w) options representing in the aggregate the right to purchase 75,119,367 shares of MCI Common Stock under MCI's 1989 Stock Option Plan, MCI's 1988 Directors' Stock Option Plan and MCI's 1979 Stock Option Plan (collectively, the "MCI Stock Option Plans"), (x) rights to purchase an aggregate of 11,876,569 shares of MCI Common Stock under the MCI 1990 Stock Purchase Plan (the "ESPP"), (y) incentive stock units ("ISUs") representing the right to receive 5,484,883 shares of MCI Common Stock under MCI's 1989 Stock Option Plan and (z) rights to purchase an aggregate of 4,482,722 shares of MCI Common Stock under MCI's 401(k) Plan. Other than the associated Rights issued with the shares issued as described above, no options or warrants or other rights to acquire capital stock from MCI have been issued or granted since October 31, 1997 to the date of this Agreement.

(ii) As of the date of this Agreement, no bonds, debentures, notes or other indebtedness of MCI having the right to vote on any matters on which stockholders may vote ("MCI Voting Debt") are issued or outstanding.

(iii) Except as otherwise set forth in this Section 3.1(b) and as contemplated by Section 5.7, as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which MCI or any of its Subsidiaries is a party or by which any of them is bound obligating MCI or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of MCI or any of its Subsidiaries or obligating MCI or any of its Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. As of the date of this Agreement, there are no outstanding obligations of MCI or any of

its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of MCI or any of its Subsidiaries.

(c) Authority; No Conflicts. (i) MCI has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, subject in the case of the consummation of the Merger to the adoption of this Agreement by the Required MCI Votes (as defined in Section 3.1(f)). The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of MCI, subject in the case of the consummation of the Merger to the adoption of this Agreement by the Required MCI Votes. This Agreement has been duly executed and delivered by MCI and constitutes a valid and binding agreement of MCI, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally, by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(ii) The execution and delivery of this Agreement does not or will not, as the case may be, and the consummation of the Merger and the other transactions contemplated hereby will not, conflict with, or result in any violation of, or constitute a default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, amendment, cancellation or acceleration of any obligation or the loss of a material benefit under, or the creation of a lien, pledge, security interest, charge or other encumbrance on any assets (any such conflict, violation, default, right of termination, amendment, cancellation or acceleration, loss or creation, a "Violation") pursuant to: (A) any provision of the certificate of incorporation or by-laws of MCI or any Subsidiary of MCI, or (B) except as would not have a Material Adverse Effect on MCI and, subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in paragraph (iii) below, any loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to MCI or any Subsidiary of MCI or their respective properties or assets.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any supranational, national, state, municipal or local government, any

instrumentality, subdivision, court, administrative agency or commission or other authority thereof, or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority, including the European Union (a "Governmental Entity"), is required by or with respect to MCI or any Subsidiary of MCI in connection with the execution and delivery of this Agreement by MCI or the consummation of the Merger and the other transactions contemplated hereby, except for those required under or in relation to (A) the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and Council Regulation (EEC) No. 4064/89 ("Regulation 4064/89"), (B) the Communications Act of 1934, as amended (the "Communications Act"), and any rules, regulations, practices and policies promulgated by the Federal Communications Commission ("FCC"), (C) state securities or "blue sky" laws (the "Blue Sky Laws"), (D) the Securities Act of 1933, as amended (the "Securities Act"), (E) the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (F) the DGCL with respect to the filing of the Delaware Certificate of Merger, (G) laws, rules, regulations, practices and orders of any state public service commissions ("PUCs"), foreign telecommunications regulatory agencies or similar state or foreign regulatory bodies, (H) rules and regulations of NASDAQ, (I) antitrust or other competition laws of other jurisdictions, and (J) such consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain would not have a Material Adverse Effect on MCI. Consents, approvals, orders, authorizations, registrations, declarations and filings required under or in relation to any of the foregoing clauses (A) through (I) are hereinafter referred to as "Required Consents."

(d) Reports and Financial Statements. MCI has filed all required reports, schedules, forms, statements and other documents required to be filed by it with the Securities and Exchange Commission (the "SEC") since January 1, 1996 (collectively, including all exhibits thereto, the "MCI SEC Reports"). No Subsidiary of MCI is required to file any form, report or other document with the SEC. None of the MCI SEC Reports, as of their respective dates (and, if amended or superseded by a filing prior to the date of this Agreement or the Closing Date, then on the date of such filing), contained or will contain any untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the financial statements (including the related notes) included in the MCI SEC Reports presents fairly, in all material respects, the consolidated financial position and consolidated

results of operations and cash flows of MCI and its Subsidiaries as of the respective dates or for the respective periods set forth therein, all in conformity with United States generally accepted accounting principles ("U.S. GAAP") consistently applied during the periods involved except as otherwise noted therein, and subject, in the case of the unaudited interim financial statements, to normal and recurring year-end adjustments that have not been and are not expected to be material in amount. All of such MCI SEC Reports, as of their respective dates (and as of the date of any amendment to the respective MCI SEC Report), complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder.

(e) Information Supplied. (i) None of the information supplied or to be supplied by MCI for inclusion or incorporation by reference in (A) the registration statement on Form S-4 (as defined in Section 5.1) to be filed with the SEC by WorldCom in connection with the issuance of the WorldCom Common Stock in the Merger will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (B) the Joint Proxy Statement/Prospectus (as defined in Section 5.1) included in the Form S-4 related to the MCI Stockholders Meeting and the WorldCom Stockholders Meeting (each, as defined in Section 5.1) and the WorldCom Common Stock to be issued in the Merger will, on the date it is first mailed to MCI stockholders or WorldCom Stockholders or at the time of the MCI Stockholders Meeting or the WorldCom Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(ii) Notwithstanding the foregoing provisions of this Section 3.1(e), no representation or warranty is made by MCI with respect to statements made or incorporated by reference in the Form S-4 or the Joint Proxy Statement/Prospectus based on information supplied by WorldCom for inclusion or incorporation by reference therein.

(f) Vote Required. The affirmative vote of the holders of a majority of the outstanding shares of Ordinary Common Stock and Class A Common Stock voting together as a single class and, if the Effective Time occurs prior to October 1, 1998, the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock voting separately as a

class, in either case to approve the Merger (the "Required MCI Votes"), are the only votes of the holders of any class or series of MCI capital stock necessary to adopt this Agreement and approve the transactions contemplated hereby.

(g) Rights Agreement. The Rights Agreement has been amended so as to provide that neither WorldCom nor Merger Sub will become an "Acquiring Person," and that no "Shares Acquisition Date" or "Distribution Date" (as such terms are defined in the Rights Agreement) will occur, as a result of the approval, execution or delivery of this Agreement or the consummation of the transactions contemplated hereby.

(h) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement, except Lazard Frères & Co. LLC and Lehman Brothers Inc. (collectively, the "Financial Advisors"), whose fees and expenses will be paid by MCI in accordance with MCI's agreement with such firms, based upon arrangements made by or on behalf of MCI and previously disclosed to WorldCom.

(i) Opinions of Financial Advisors. MCI has received the opinion of each of the Financial Advisors, dated the date of this Agreement, to the effect that, as of such date, the Merger Consideration is fair, from a financial point of view, to the holders of Ordinary Common Stock (the "Fairness Opinions"), a copy of each of which opinions have been made available to WorldCom.

(j) Affiliate Letter. On or prior to the date of the MCI Stockholder Meeting, MCI will deliver to WorldCom a letter (the "MCI Affiliate Letter") identifying all persons who are "affiliates" of MCI for purposes of Rule 145 under the Securities Act ("Rule 145"). On or prior to the Closing Date, MCI will deliver on behalf of each person identified as an "affiliate" in the MCI Affiliate Letter (other than BT) a written agreement (an "Affiliate Agreement") in connection with restrictions on affiliates under Rule 145.

3.2 Representations and Warranties of WorldCom. Except as set forth in the WorldCom Disclosure Schedule delivered by WorldCom to MCI prior to the execution of this Agreement (the "WorldCom Disclosure Schedule") (each section of which qualifies the correspondingly numbered representation and warranty or covenant to the extent specified therein), WorldCom represents and warrants to MCI as follows:

(a) Organization, Standing and Power. Each of WorldCom and each of its Subsidiaries is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted and is duly qualified and in good standing to do business in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification necessary other than in such jurisdictions where the failure so to qualify or to be in good standing would not, either individually or in the aggregate, have a Material Adverse Effect on WorldCom. The copies of the certificate of incorporation and by-laws of WorldCom which were previously furnished to MCI are true, complete and correct copies of such documents as in effect on the date of this Agreement.

(b) Capital Structure. (i) As of November 5, 1997, the authorized capital stock of WorldCom consisted of (A) 2,500,000,000 shares of WorldCom Common Stock of which 908,380,987 shares were outstanding and (B) 50,000,000 shares of Preferred Stock, par value $.01 per share, of which (1) 94,992 shares have been designated Series A 8% Cumulative Convertible Preferred Stock ("WorldCom Series A Preferred Stock"), of which 94,992 shares were outstanding, (2) 15,000,000 shares have been designated Series B Preferred Stock ("WorldCom Series B Preferred Stock"), of which 12,441,817 shares were outstanding and (3) 2,500,000 shares have been designated Series 3 Junior Participating Preferred Stock and reserved for issuance upon exercise of the rights (the "Purchase Rights") distributed to the holders of WorldCom Common Stock pursuant to the Rights Agreement dated as of August 25, 1996 between WorldCom and Bank of New York, as rights agent (the "WorldCom Rights Agreement"). Since November 5, 1997 to the date of this Agreement, there have been no issuances of shares of the capital stock of WorldCom or any other securities of WorldCom other than issuances of shares pursuant to options or rights outstanding as of November 5, 1997 under the Benefit Plans (as defined in Section 8.11(i)) of WorldCom. All issued and outstanding shares of the capital stock of WorldCom are duly authorized, validly issued, fully paid and nonassessable, and no class of capital stock is entitled to preemptive rights. There were outstanding as of November 5, 1997 no options, warrants or other rights to acquire capital stock from WorldCom other than pursuant to WorldCom's pending acquisitions as of the date hereof. No options or warrants or other rights to acquire capital stock from WorldCom have been issued or granted since November 5, 1997 to the date of this Agreement.

(ii) As of the date of this Agreement, no bonds, debentures, notes or other indebtedness of WorldCom having the right to vote on any matters on which stockholders may vote ("WorldCom Voting Debt") are issued or outstanding.

(iii) Except as otherwise set forth in this Section 3.2(b), as of the date of this Agreement, there are no securities, options, warrants, calls, rights, commitments, agreements, arrangements or undertakings of any kind to which WorldCom or any of its Subsidiaries is a party or by which any of them is bound obligating WorldCom or any of its Subsidiaries to issue, deliver or sell, or cause to be issued, delivered or sold, additional shares of capital stock or other voting securities of WorldCom or any of its Subsidiaries or obligating WorldCom or any of its Subsidiaries to issue, grant, extend or enter into any such security, option, warrant, call, right, commitment, agreement, arrangement or undertaking. As of the date of this Agreement, there are no outstanding obligations of WorldCom or any of its Subsidiaries to repurchase, redeem or otherwise acquire any shares of capital stock of WorldCom or any of its Subsidiaries.

(c) Authority; No Conflicts. (i) WorldCom has all requisite corporate power and authority to enter into this Agreement and, subject to the adoption of this Agreement by the Required WorldCom Vote (as defined in Section 3.2(g)), to issue the shares of WorldCom Common Stock to be issued in the Merger (the "Share Issuance"). The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of WorldCom, subject to the approval by the stockholders of WorldCom of the Share Issuance and the affirmative vote of a majority of the outstanding voting power of the WorldCom Stock (as defined in Section 3.2(g)) to amend the Certificate of Incorporation of WorldCom to change its name as set forth in Section 5.2. This Agreement has been duly executed and delivered by WorldCom and constitutes a valid and binding agreement of WorldCom, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally, by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(ii) The execution and delivery of this Agreement does not or will not, as the case may be, and the consummation of the Merger and the other transactions contemplated hereby will not, conflict with, or result in a Violation pursuant to: (A) any

provision of the certificate of incorporation or by-laws of WorldCom or any Subsidiary of WorldCom, (B) except as would not have a Material Adverse Effect on WorldCom and, subject to obtaining or making the consents, approvals, orders, authorizations, registrations, declarations and filings referred to in paragraph (iii) below, any loan or credit agreement, note, mortgage, bond, indenture, lease, benefit plan or other agreement, obligation, instrument, permit, concession, franchise, license, judgment, order, decree, statute, law, ordinance, rule or regulation applicable to WorldCom or any Subsidiary of WorldCom or their respective properties or assets.

(iii) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to WorldCom or any Subsidiary of WorldCom in connection with the execution and delivery of this Agreement by WorldCom or the consummation of the Merger and the other transactions contemplated hereby, except for the Required Consents and such consents, approvals, orders, authorizations, registrations, declarations and filings the failure of which to make or obtain would not have a Material Adverse Effect on WorldCom.

(d) Reports and Financial Statements. WorldCom has filed all required reports, schedules, forms, statements and other documents required to be filed by it with the SEC since January 1, 1996 (collectively, including all exhibits thereto, the "WorldCom SEC Reports"). No Subsidiary of WorldCom is required to file any form, report or other document with the SEC. None of the WorldCom SEC Reports, as of their respective dates (and, if amended or superseded by a filing prior to the date of this Agreement or the Closing Date, then on the date of such filing), contained or will contain any untrue statement of a material fact or omitted or will omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of the financial statements (including the related notes) included in the WorldCom SEC Reports presents fairly, in all material respects, the consolidated financial position and consolidated results of operations and cash flows of WorldCom and its Subsidiaries as of the respective dates or for the respective periods set forth therein, all in conformity with U.S. GAAP consistently applied during the periods involved except as otherwise noted therein, and subject, in the case of the unaudited interim financial statements, to normal and recurring year-end adjustments that have not been and are not expected to be material in amount. All of such WorldCom SEC Reports, as of their respective dates (and as of the date of any amendment to the respective WorldCom SEC

Report), complied as to form in all material respects with the applicable requirements of the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder.

(e) Information Supplied. (i) None of the information supplied or to be supplied by WorldCom for inclusion or incorporation by reference in (A) the Form S-4 will, at the time the Form S-4 is filed with the SEC, at any time it is amended or supplemented or at the time it becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (B) the Joint Proxy Statement/Prospectus will, on the date it is first mailed to MCI stockholders or WorldCom Stockholders or at the time of the MCI Stockholders Meeting or the WorldCom Stockholders Meeting, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Form S-4 and the Joint Proxy Statement/Prospectus will comply as to form in all material respects with the requirements of the Exchange Act and the Securities Act and the rules and regulations of the SEC thereunder.

(ii) Notwithstanding the foregoing provisions of this Section 3.2(e), no representation or warranty is made by WorldCom with respect to statements made or incorporated by reference in the Form S-4 or the Joint Proxy Statement/Prospectus based on information supplied by MCI for inclusion or incorporation by reference therein.

(f) Absence of Certain Changes or Events. Except as disclosed in the WorldCom SEC Reports filed prior to the date of this Agreement, since December 31, 1996 until the date hereof, WorldCom and its Subsidiaries have not incurred any material liability, except in the ordinary course of business consistent with past practice, nor has there been any change in the business, financial condition or results of operations of WorldCom or any of its Subsidiaries or any event involving WorldCom or any of its Subsidiaries which has had, or is reasonably likely to have, a Material Adverse Effect on WorldCom.

(g) Vote Required. The affirmative vote of holders of shares of WorldCom Common Stock, WorldCom Series A Preferred Stock and WorldCom Series B Preferred Stock (collectively, "WorldCom Stock") representing a majority of the total votes cast at a meeting of the holders of outstanding shares of WorldCom Stock all voting together as a single class (the "Required

WorldCom Vote"), is the only vote of the holders of any class or series of WorldCom capital stock necessary to approve the Share Issuance. The affirmative vote of holders of a majority of the outstanding voting power of the shares of WorldCom Stock, voting together as a single class (the "Charter Amendment Vote"), is the only vote of holders of any class or series of WorldCom capital stock necessary to approve the amendment to WorldCom's Certificate of Incorporation set forth in Section 5.2 (the "Charter Amendment").

(h) Brokers or Finders. No agent, broker, investment banker, financial advisor or other firm or Person is or will be entitled to any broker's or finder's fee or any other similar commission or fee in connection with any of the transactions contemplated by this Agreement based upon arrangements made by or on behalf of WorldCom, except Salomon Brothers Inc, whose fees and expenses will be paid by WorldCom in accordance with WorldCom's agreement with such firm based upon arrangements made by or on behalf of WorldCom and previously disclosed to MCI.

(i) Affiliate Letter. On or prior to the date of the WorldCom Stockholder Meeting, WorldCom will deliver to MCI a letter (the "WorldCom Affiliate Letter") identifying all persons who are "affiliates" of WorldCom for purpose of Rule 145. On or prior to the Closing Date, WorldCom will deliver on behalf of each person identified as an "affiliate" in the WorldCom Affiliate Letter an Affiliate Agreement in connection with restrictions on affiliates under Rule 145.

3.3 Representations and Warranties of WorldCom and Merger Sub. WorldCom and Merger Sub represent and warrant to MCI as follows:

(a) Organization and Corporate Power. Merger Sub is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware. Merger Sub is a direct wholly-owned subsidiary of WorldCom.

(b) Corporate Authorization. Merger Sub has all requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Merger Sub of this Agreement and the consummation by Merger Sub of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of Merger Sub. This Agreement has been duly executed and delivered by Merger Sub and constitutes a valid and binding agreement of Merger Sub, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium

and other similar laws relating to or affecting creditors generally, by general equity principles (regardless or whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing.

(c) Non-Contravention. The execution, delivery and performance by Merger Sub of this Agreement and the consummation by Merger Sub of the transactions contemplated hereby do not and will not contravene or conflict with the certificate of incorporation or by-laws of Merger Sub.

(d) No Business Activities. Merger Sub has not conducted any activities other than in connection with the organization of Merger Sub, the purchase of Ordinary Common Stock in open-market transactions, the negotiation and execution of this Agreement and the consummation of the transactions contemplated hereby. Merger Sub has no Subsidiaries.

ARTICLE IV

COVENANTS RELATING TO CONDUCT OF BUSINESS

4.1 Covenants of MCI. During the period from the date of this Agreement and continuing until the Effective Time, MCI agrees as to itself and its Subsidiaries that (except as expressly contemplated or permitted by this Agreement or as otherwise indicated on the MCI Disclosure Schedule or as required by a Governmental Entity of competent jurisdiction or to the extent that WorldCom shall otherwise consent in writing):

(a) Ordinary Course. (i) MCI and its Subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course in all material respects, in substantially the same manner as heretofore conducted, and shall use all reasonable efforts to preserve intact their present lines of business, maintain their rights and franchises and preserve their relationships with customers, suppliers and others having business dealings with them to the end that their ongoing businesses shall not be impaired in any material respect at the Effective Time; provided, however, that no action by MCI or its Subsidiaries with respect to matters specifically addressed by any other provision of this Section 4.1 shall be deemed a breach of this Section 4.1(a)(i) unless such action would constitute a breach of one or more of such other provisions.

(ii) MCI shall not, and shall not permit any of its Subsidiaries to, (A) enter into any new material line of business or (B) incur or commit to any capital expenditures other than

capital expenditures incurred or committed to in the ordinary course of business consistent with past practice and which, together with all such expenditures incurred or committed to during any fiscal year, are not in excess of 105% of the aggregate amounts set forth in Section 4.1(a) of the MCI Disclosure Schedule.

(b) Dividends; Changes in Share Capital. MCI shall not, and shall not permit any of its Subsidiaries to, and shall not propose to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except (A) MCI may continue the declaration and payment of regular semiannual cash dividends not in excess of $0.025 per share of MCI Common Stock, in each case with usual record and payment dates for such dividends in accordance with MCI's past practice and (B) dividends by wholly owned Subsidiaries of MCI, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such transaction by a wholly owned Subsidiary of MCI which remains a wholly owned Subsidiary after consummation of such transaction, or (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock except for the purchase from time to time by MCI of MCI Common Stock in the ordinary course of business consistent with past practice in connection with the MCI Benefit Plans.

(c) Issuance of Securities. Except as set forth in Section 5.7, MCI shall not, and shall not permit any of its Subsidiaries to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, any MCI Voting Debt or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares or MCI Voting Debt, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of MCI Common Stock (and the associated Rights) upon the exercise of stock options or in connection with other stock-based benefits plans outstanding on the date hereof in accordance with their present terms, (ii) issuances by a wholly owned Subsidiary of MCI of capital stock to such Subsidiary's parent, (iii) issuances in accordance with the Rights Agreement or (iv) issuances of shares, options, rights or other awards and amendments to equity-related awards, in the ordinary course of business and consistent with past practice pursuant to the MCI Benefit Plans.

(d) Governing Documents. Except to the extent required to comply with their respective obligations hereunder,

required by law or required by the rules and regulations of NASDAQ, MCI and its material Subsidiaries shall not amend, in the case of Subsidiaries, in any material respect, or propose to amend their respective certificates of incorporation, by-laws or other governing documents.

(e) No Acquisitions. Other than acquisitions in existing or related lines of business of MCI the fair market value of the total consideration (including the value of indebtedness or other liability acquired or assumed) for which does not exceed $325 million in the aggregate, MCI shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets (other than the acquisition of assets used in the operations of the business of MCI and its Subsidiaries in the ordinary course); provided, however, that the foregoing shall not prohibit (x) internal reorganizations or consolidations involving existing Subsidiaries of MCI or (y) the creation of new Subsidiaries of MCI organized to conduct or continue activities otherwise permitted by this Agreement.

(f) No Dispositions. Other than (i) internal reorganizations or consolidations involving existing Subsidiaries of MCI, (ii) dispositions referred to in MCI SEC Reports filed prior to the date of this Agreement and (iii) as may be required by or in conformance with law or regulation in order to permit or facilitate the consummation of the transactions contemplated hereby, MCI shall not, and shall not permit any Subsidiary of MCI to, sell, lease, encumber or otherwise dispose of, or agree to sell, lease, encumber or otherwise dispose of, any of its assets (including capital stock of Subsidiaries of MCI) which are material, individually or in the aggregate, to MCI.

(g) Indebtedness. MCI shall not, and shall not permit any of its Subsidiaries to, (i) make any loans, advances or capital contributions to, or investments in, any other Person, other than by MCI or a Subsidiary of MCI to or in MCI or any Subsidiary of MCI or (ii) pay, discharge or satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than indebtedness, issuances of debt securities, guarantees, loans, advances, capital contributions, investments, payments, discharges or satisfactions incurred or committed to in the ordinary course of business consistent with past practice.

(h) Tax-Free Qualification. MCI shall not, and shall not permit any of its Subsidiaries to, take any action that would prevent or impede the Merger from qualifying as a reorganization under Section 368 of the Code.

(i) Other Actions. MCI shall not, and shall not permit any of its Subsidiaries to, take any action that would, or that could reasonably be expected to, result in, except as otherwise permitted by Section 5.5, any of the conditions to the Merger set forth in Article VI not being satisfied.

(j) Accounting Methods; Income Tax Elections. Except as disclosed in MCI SEC Reports filed prior to the date of this Agreement, or as required by a Governmental Entity, MCI shall not change its methods of accounting in effect at December 31, 1996, except as required by changes in U.S. GAAP as concurred in by MCI's independent auditors. MCI shall not (i) change its fiscal year or (ii) make any material Tax election, other than in the ordinary course of business consistent with past practice, without consultation with WorldCom.

(k) MCI Rights Agreement. Except as provided in Section 5.10, MCI shall not amend, modify or waive any provision of the MCI Rights Agreement, and shall not take any action to redeem the Rights or render the Rights inapplicable to any transaction, other than to permit another transaction that the MCI Board has determined is a Superior Proposal, to be consummated no earlier than December 31, 1998.

4.2 Covenants of WorldCom. During the period from the date of this Agreement and continuing until the Effective Time, WorldCom agrees as to itself and its Subsidiaries that (except as expressly contemplated or permitted by this Agreement or as otherwise indicated on the WorldCom Disclosure Schedule or as required by a Governmental Entity of competent jurisdiction or to the extent that MCI shall otherwise consent in writing):

(a) Ordinary Course. (i) WorldCom and its Subsidiaries shall carry on their respective businesses in the usual, regular and ordinary course in all material respects, in substantially the same manner as heretofore conducted, and shall use all reasonable efforts to preserve intact their present lines of business, maintain their rights and franchises and preserve their relationships with customers, suppliers and others having business dealings with them to the end that their ongoing businesses shall not be impaired in any material respect at the Effective Time; provided, however, that no action by WorldCom or its Subsidiaries with respect to matters specifically addressed by any other provisions of this Section 4.2 shall be deemed a

breach of this Section 4.2(a)(i) unless such action would constitute a breach of one or more of such other provisions.

(ii) WorldCom shall not, and shall not permit any of its Subsidiaries to, (A) enter into any new material line of business (other than incidentally as part of a larger acquisition within an existing line of business) or (B) incur or commit to any capital expenditures other than capital expenditures incurred or committed to in the ordinary course of business consistent with past practice.

(b) Dividends; Changes in Share Capital. WorldCom shall not, and shall not permit any of its Subsidiaries to, and shall not propose to, (i) declare or pay any dividends on or make other distributions in respect of any of its capital stock, except (A) WorldCom may continue the declaration and payment of regular quarterly cash dividends in amounts consistent with past practice (including increases in such amounts consistent with past practice) and (B) dividends by wholly owned Subsidiaries of WorldCom, (ii) split, combine or reclassify any of its capital stock or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock, except for any such transaction by a wholly owned Subsidiary of WorldCom which remains a wholly owned Subsidiary after consummation of such transaction, (iii) repurchase, redeem or otherwise acquire any shares of its capital stock or any securities convertible into or exercisable for any shares of its capital stock except for the purchase from time to time by WorldCom of WorldCom Common Stock in the ordinary course of business consistent with past practice in connection with share options, share incentive schemes, profit sharing schemes or other benefit plans of WorldCom or repurchases of shares of WorldCom Common Stock in open market or privately negotiated transactions other than during the Measurement Period.

(c) Issuance of Securities. WorldCom shall not, and shall not permit any of its Subsidiaries to, issue, deliver or sell, or authorize or propose the issuance, delivery or sale of, any shares of its capital stock of any class, any WorldCom Voting Debt or any securities convertible into or exercisable for, or any rights, warrants or options to acquire, any such shares or WorldCom Voting Debt, or enter into any agreement with respect to any of the foregoing, other than (i) the issuance of WorldCom Common Stock upon the exercise of stock options, (ii) issuances by a wholly owned Subsidiary of WorldCom of capital stock to such Subsidiary's parent or another wholly owned Subsidiary of WorldCom, (iii) issuances of options, awards, and amendments to equity-related awards pursuant to WorldCom benefit plans as in effect from time to time, (iv) issuances in accordance with the

WorldCom Rights Agreement or (v) issuances in respect of any acquisitions by WorldCom or its subsidiaries that are currently pending ("WorldCom Pending Acquisitions") on the date hereof or are permitted pursuant to Section 4.2(e).

(d) Governing Documents. Except to the extent required to comply with their respective obligations hereunder, required by law or required by the rules and regulations of NASDAQ, WorldCom and its material Subsidiaries shall not amend, in the case of Subsidiaries, in any material respect, or propose to amend their respective certificates of incorporation, by-laws or other governing documents.

(e) No Acquisitions. Other than acquisitions in existing or related lines of business of WorldCom the fair market value of the total consideration (including the value of indebtedness or other liability acquired or assumed) for which does not exceed $525 million in the aggregate and other than WorldCom Pending Acquisitions, WorldCom, shall not, and shall not permit any of its Subsidiaries to, acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial equity interest in or a substantial portion of the assets of, or by any other manner, any business or any corporation, partnership, association or other business organization or division thereof or otherwise acquire or agree to acquire any assets (other than the acquisition of assets used in the ordinary course); provided, however, that the foregoing shall not prohibit (x) internal reorganizations or consolidations involving existing Subsidiaries of WorldCom or (y) the creation of new Subsidiaries of WorldCom organized to conduct or continue activities otherwise permitted by this Agreement.

(f) No Dispositions. Other than (i) internal reorganizations or consolidations involving existing Subsidiaries of WorldCom, (ii) dispositions referred to in WorldCom SEC Reports filed prior to the date of this Agreement and (iii) as may be required by or in conformance with law or regulation in order to permit or facilitate the consummation of the transactions contemplated hereby, WorldCom shall not, and shall not permit any Subsidiary of WorldCom to, sell, lease, encumber or otherwise dispose of, any of its assets (including capital stock of Subsidiaries of WorldCom) which are material, individually or in the aggregate, to WorldCom.

(g) Indebtedness. WorldCom shall not, and shall not permit any of its Subsidiaries to, (i) make any loans, advances or capital contributions to, or investments in, any other Person, other than by WorldCom or a Subsidiary of WorldCom to or in WorldCom or any Subsidiary of WorldCom or (ii) pay, discharge or

satisfy any claims, liabilities or obligations (absolute, accrued, asserted or unasserted, contingent or otherwise), other than indebtedness, issuances of debt securities, guarantees, loans, advances, capital contributions, investments, payments, discharges or satisfactions incurred or committed to in the ordinary course of business consistent with past practice.

(h) Tax-Free Qualification. WorldCom shall not, and shall not permit any of its Subsidiaries to, take any action that would prevent or impede the Merger from qualifying as a reorganization under Section 368 of the Code.

(i) Other Actions. WorldCom shall not, and shall not permit any of its Subsidiaries to, take any action that would, or that could reasonably be expected to, result in any of the conditions to the Merger set forth in Article VI not being satisfied.

(j) Accounting Methods; Income Tax Elections. Except as disclosed in WorldCom SEC Reports filed prior to the date of this Agreement, or as required by a Governmental Entity, WorldCom shall not change its methods of accounting in effect at December 31, 1996, except as required by changes in U.S. GAAP as concurred in by WorldCom's independent auditors. WorldCom shall not (i) change its fiscal year or (ii) make any material Tax election, other than in the ordinary course of business consistent with past practice, without consultation with MCI.

(k) Acquisition Proposals. WorldCom shall not, and shall not permit any of its Subsidiaries to, enter into any agreement with respect to or consummate any transaction contemplated by an Acquisition Proposal (as defined in Section 5.5).

(l) WorldCom Rights Agreement. WorldCom shall not amend, modify or waive any provision of the WorldCom Rights Agreement and shall not take any action to redeem the WorldCom Rights or render the WorldCom Rights inapplicable to any transaction.

4.3 Advice of Changes; Governmental Filings. Each party shall (a) confer on a regular and frequent basis with the other and (b) report (to the extent permitted by law or regulation or any applicable confidentiality agreement) on operational matters. MCI and WorldCom shall file all reports required to be filed by each of them with the SEC (and all other Governmental Entities) between the date of this Agreement and the Effective Time and shall (to the extent permitted by law or regulation or any applicable confidentiality agreement) deliver

to the other party copies of all such reports, announcements and publications promptly after the same are filed. Subject to applicable laws relating to the exchange of information, each of MCI and WorldCom shall have the right to review in advance, and will consult with the other with respect to, all the information relating to the other party and each of their respective Subsidiaries, which appears in any filings, announcements or publications made with, or written materials submitted to, any third party or any Governmental Entity in connection with the transactions contemplated by this Agreement. In exercising the foregoing right, each of the parties hereto agrees to act reasonably and as promptly as practicable. Each party agrees that, to the extent practicable and as timely as practicable, it will consult with, and provide all appropriate and necessary assistance to, the other party with respect to the obtaining of all permits, consents, approvals and authorizations of all third parties and Governmental Entities necessary or advisable to consummate the transactions contemplated by this Agreement and each party will keep the other party apprised of the status of matters relating to completion of the transactions contemplated hereby.

4.4 Transition Planning. Bernard J. Ebbers, as Chief Executive Officer of WorldCom, and Gerald H. Taylor, as Chief Executive Officer of MCI, jointly shall be responsible for coordinating all aspects of transition planning and implementation relating to the Merger and the other transactions contemplated hereby. If either such person ceases to be Chief Executive Officer of his company for any reason, such person's successor shall assume his predecessor's responsibilities under this Section 4.4. During the period between the date of this Agreement and the Effective Time, Messrs. Ebbers and Taylor jointly shall (i) examine various alternatives regarding the manner in which to best organize and manage the businesses of WorldCom and MCI after the Effective Time and (ii) coordinate policies and strategies with respect to regulatory authorities and bodies, in all cases subject to applicable law and regulation.

4.5 Control of Other Party's Business. Nothing contained in this Agreement shall give MCI, directly or indirectly, the right to control or direct WorldCom's operations prior to the Effective Time. Nothing contained in this Agreement shall give WorldCom, directly or indirectly, the right to control or direct MCI's operations prior to the Effective Time. Prior to the Effective Time, each of MCI and WorldCom shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its respective operations.

ARTICLE V

ADDITIONAL AGREEMENTS

5.1 Preparation of Proxy Statement; MCI Stockholders Meeting. (a) As promptly as practicable following the date hereof, WorldCom shall, in cooperation with MCI, prepare and file with the SEC preliminary proxy materials which shall constitute the Joint Proxy Statement/Prospectus (such proxy statement/prospectus, and any amendments or supplements thereto, the "Joint Proxy Statement/Prospectus") and an amendment to its existing registration statement on Form S-4 with respect to the issuance of WorldCom Common Stock in the Merger (the "Form S-4"). The Joint Proxy Statement/Prospectus will be included in the Form S-4 as WorldCom's prospectus. The Form S-4 and the Joint Proxy Statement/Prospectus shall comply as to form in all material respects with the applicable provisions of the Securities Act and the Exchange Act and the rules and regulations thereunder. Each of WorldCom and MCI shall use all reasonable efforts to have the Form S-4 cleared by the SEC as promptly as practicable after filing with the SEC and to keep the Form S-4 effective as long as is necessary to consummate the Merger. WorldCom shall, as promptly as practicable after receipt thereof, provide copies of any written comments received from the SEC with respect to the Joint Proxy Statement/Prospectus to MCI and advise MCI of any oral comments with respect to the Proxy Statement/Prospectus received from the SEC. WorldCom agrees that none of the information supplied or to be supplied by WorldCom for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus and each amendment or supplement thereto, at the time of mailing thereof and at the time of the MCI Stockholders Meeting or the WorldCom Stockholders Meeting, will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. MCI agrees that none of the information supplied or to be supplied by MCI for inclusion or incorporation by reference in the Joint Proxy Statement/Prospectus and each amendment or supplement thereto, at the time of mailing thereof and at the time of the MCI Stockholders Meeting or the WorldCom Stockholders Meeting, will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. For purposes of the foregoing, it is understood and agreed that information concerning or related to WorldCom and the WorldCom Stockholders Meeting will be deemed to have been supplied by WorldCom and information concerning or related to MCI and the MCI Stockholders Meeting

shall be deemed to have been supplied by MCI. WorldCom will provide MCI with a reasonable opportunity to review and comment on any amendment or supplement to the Joint Proxy Statement/Prospectus prior to filing such with the SEC, and will provide MCI with a copy of all such filings made with the SEC. No amendment or supplement to the information supplied by MCI for inclusion in the Joint Proxy Statement/Prospectus shall be made without the approval of MCI, which approval shall not be unreasonably withheld or delayed.

(b) MCI shall, as promptly as practicable following the execution of this Agreement, duly call, give notice of, convene and hold a meeting of its stockholders (the "MCI Stockholders Meeting") for the purpose of obtaining the Required MCI Votes with respect to the transactions contemplated by this Agreement, shall take all lawful action to solicit the adoption of this Agreement by the Required MCI Votes and the Board of Directors of MCI shall recommend adoption of this Agreement by the stockholders of MCI. Without limiting the generality of the foregoing but subject to its rights pursuant to Sections 5.5 and 7.1(f), MCI agrees that its obligations pursuant to the first sentence of this Section 5.1(b) shall not be affected by the commencement, public proposal, public disclosure or communication to MCI of any Acquisition Proposal.

(c) WorldCom shall, as promptly as practicable following the execution of this Agreement, duly call, give notice of, convene and hold a meeting of its stockholders (the "WorldCom Stockholders Meeting") for the purpose of obtaining the Required WorldCom Vote and the Charter Amendment Vote, shall take all lawful action to solicit the approval of the Share Issuance and the Charter Amendment by the Required WorldCom Vote and the Charter Amendment Vote and the Board of Directors of WorldCom shall recommend approval of the transactions contemplated by this Agreement by the stockholders of WorldCom.

5.2 WorldCom Board of Directors; Officers; Headquarters; MCI Name. (a) WorldCom shall take all necessary action to reconstitute the Board of Directors of WorldCom as of the Effective Time in accordance with Exhibit 5.2(a) hereto.

(b) WorldCom shall take all necessary action to cause Bert C. Roberts, Jr. to be appointed Chairman of WorldCom as of the Effective Time.

(c) WorldCom shall take all action necessary to cause the senior management of WorldCom to be as previously agreed between the parties.

(d) As of the Effective Time, WorldCom shall be headquartered in Jackson, Mississippi and the Surviving Corporation shall be headquartered in Washington D.C.

(e) As of the Effective Time, WorldCom shall take all action necessary to cause WorldCom and their Subsidiaries currently using "WorldCom" brands to conduct business in the United States solely using the "MCI WorldCom" brand as appropriate.

(f) WorldCom shall take all action necessary to amend its Certificate of Incorporation as of the Effective Time to change its name to "MCI WorldCom".

5.3 Access to Information. Upon reasonable notice, MCI shall (and shall cause its Subsidiaries to) afford to the officers, employees, accountants, counsel, financial advisors and other representatives of WorldCom reasonable access during normal business hours, during the period prior to the Effective Time, to all its properties, books, contracts, commitments and records and, during such period, MCI shall (and shall cause its Subsidiaries to) furnish promptly to WorldCom (a) a copy of each report, schedule, registration statement and other document filed, published, announced or received by it during such period pursuant to the requirements of Federal or state securities laws, as applicable (other than reports or documents which such party is not permitted to disclose under applicable law), and (b) consistent with its legal obligations, all other information concerning its business, properties and personnel as such other party may reasonably request; provided, however, that MCI may restrict the foregoing access to the extent that (i) a Governmental Entity requires MCI or any of its Subsidiaries to restrict access to any properties or information reasonably related to any such contract on the basis of applicable laws and regulations with respect to national security matters or (ii) any law, treaty, rule or regulation of any Governmental Entity applicable to MCI requires MCI or its Subsidiaries to restrict access to any properties or information. The parties will hold any such information which is non-public in confidence to the extent required by, and in accordance with, the provisions of the letter dated October 16, 1997 between MCI and WorldCom (the "Confidentiality Agreement"). Any investigation by WorldCom or MCI shall not affect the representations and warranties of MCI or WorldCom, as the case may be.

5.4 Best Efforts. (a) Subject to the terms and conditions of this Agreement, each party will use its best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under