

DEFERRED PROSECUTION AGREEMENT

This Deferred Prosecution Agreement ("Agreement") is entered into this 12th day of March, 2004, between the State of Oklahoma, by the Honorable Drew Edmondson, Attorney General for the State of Oklahoma (the "Attorney General"), and WorldCom, Inc.

Whereas, on or about August 29, 2003, the State of Oklahoma filed a felony information (the "Information") against WorldCom, Inc. and six of its former officers and employees – Bernard J. Ebbers, Scott D. Sullivan, David F. Myers, Buford T. Yates, Jr., Betty L. Vinson, and Troy M. Normand (the "Former Personnel"); and

Whereas, WorldCom, Inc. d/b/a MCI ("MCI" or the "Company") has committed to cooperate in this Agreement with the State of Oklahoma in connection with its ongoing prosecutions of the Former Personnel; and

Whereas, MCI has taken significant remediation efforts to completely divorce itself from the alleged fraudulent accounting activities conducted by a select few former employees including, but not limited to: (1) conducting an internal investigation through outside counsel into the events that gave rise to the accounting fraud and disclosing the results of that investigation to the public; (2) entering into a settlement with the U.S. Securities and Exchange Commission (the "SEC") that will pay \$750 million in restitution to the Company's former shareholders; (3) terminating the employment of all employees whose culpable conduct was principally responsible for the fraud; (4) appointing a new Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, Chief Ethics Officer and General Counsel, and an entirely new Board of Directors; (5) enacting sweeping changes to its corporate governance procedures including, among other things, the development of, and commitment to, an Ethics Pledge and extensive employee training on business ethics and accounting rules; (6) appointing a

new outside auditor and engaging in a massive effort involving the hiring of hundreds of accounting personnel to develop a fair and accurate set of restated financial statements; (7) cooperating with and instituting recommendations made by a court-appointed Corporate Monitor; and (8) voluntarily cooperating with numerous investigations, including those conducted by several federal and state enforcement agencies, various Congressional committees and subcommittees, and the Examiner appointed by the U.S. Bankruptcy Court.

Whereas, the Attorney General has determined that WorldCom, Inc. meets the guidelines for deferred prosecution set forth in Section 305 of Oklahoma's Statutes Annotated Title 22; and

Whereas, in particular, the Attorney General has determined that the deferred prosecution of WorldCom, Inc. will have a positive impact on the community in connection with the substantial employment MCI continues to provide to the Tulsa area; and

Whereas, MCI has committed to partner with the Oklahoma Department of Commerce (the "ODOC") to use good faith and reasonable commercial efforts to add 1,600 jobs to MCI's Oklahoma work force, which commitment is memorialized in an Economic Development Agreement between MCI and the ODOC to be entered into contemporaneously with this Agreement;

IT IS HEREBY AGREED THAT:

1. The State of Oklahoma agrees to a deferred prosecution of WorldCom, Inc. in connection with the charges filed in the Information in accordance with 22 O.S.A. § 305.1.

2. MCI agrees to waive any rights to a speedy accusation and a speedy trial it may have pursuant to the United States Constitution and Article II, Sections 6 and 20 of the Oklahoma Constitution, in accordance with 22 O.S.A. § 305.2.

3. MCI agrees to waive any statute of limitations in accordance with 22 O.S.A. § 305.2.

4. MCI agrees to cooperate with the State of Oklahoma's ongoing investigations and prosecutions of the Former Personnel. MCI, upon the request of the Attorney General and in conformity with a schedule agreed to between the Attorney General and any state or federal prosecutors currently prosecuting some or all of the Former Personnel, shall: 1) make available any and all documents in the Company's possession relevant to the Information; and 2) make available then current Company employees for interviews and testimony in Oklahoma. In particular, MCI shall pay the travel costs of then current MCI employees that are called by the Attorney General to testify in Oklahoma, and shall pay for the reasonable reproduction costs of documents that are requested by the Attorney General.

5. MCI further agrees to enter into an Economic Development Agreement (the "New Jobs Agreement") with the ODOC, a copy of which is attached as Exhibit A.

6. The State of Oklahoma's rights to terminate this Agreement should MCI fail to fulfill its obligations as described in paragraph 4 above, or should it fail to enter into the New Jobs Agreement as described in paragraph 5 above, shall be as set forth in 22 O.S.A § 305.3; except that, in the event that the Attorney General sends a written notice of termination pursuant to 22 O.S.A. § 305.3.1, MCI shall have twenty (20) days from the date of mailing of such notice to file a written request for a hearing, as set forth in 22 O.S.A. § 305.3.3. Specifically, and without limitation, if the State of Oklahoma should decide to terminate the Agreement, it shall:

a. send a written notice to the General Counsel of WorldCom, Inc. and its attorneys explaining the reasons for the termination;

b. disclose to WorldCom, Inc. and its attorneys the evidence supporting the decision to terminate; and

c. afford WorldCom, Inc. the opportunity to be heard and present evidence and cross-examine witnesses before a judge of the district court. The burden shall be upon the State of Oklahoma to prove that WorldCom, Inc. did not fulfill the conditions of paragraph 4 above or failed to enter into the New Jobs Agreement referenced in paragraph 5 above, and that an information should be filed.

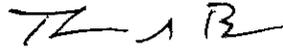
7. The State of Oklahoma's rights to terminate this Agreement and receive cooperation from MCI as set forth in paragraph 4 above shall continue until the later of: 1) two years from the date of this Agreement; or 2) the conclusion of the trial(s) in the criminal action(s) brought by the State of Oklahoma against the Former Personnel. At the conclusion of such period of time, and in accordance with 22 O.S.A. § 305.4, the State of Oklahoma agrees that it shall forfeit all rights to reinstitute charges against WorldCom, Inc. for alleged offenses referring or relating to the acts charged in the Information.

8. As used herein, WorldCom, Inc. encompasses, without limitation, WorldCom, Inc., and all of its predecessors, successors, parents, direct and indirect subsidiaries, affiliates, and other related entities.

9. This Agreement may be executed in identical faxed counterparts, each of which shall constitute an original and all of which shall constitute one and the same Agreement.

10. There are no agreements, express or implied, except as set forth in this document.

Attorney General for the State of Oklahoma
Drew Edmondson



By: Thomas A. Bates
Assistant Attorney General

WORLDCOM, INC.

By: Carol Ann Petren
Senior Vice President,
Deputy General Counsel

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