

The Securities Action Settlement partially resolves a lawsuit over whether the prices of common stock, convertible preferred stock and bonds of Global Crossing and Asia Global Crossing were artificially inflated as a result of alleged fraudulent misrepresentations and non-disclosures.

The Securities Action Settlement provides for a Settlement Fund of approximately \$245 million (subject to fluctuations in the exchange rate, and deductions for certain reserves and implementation costs as explained below) of which approximately \$205 million may be available for distribution to Class Members (subject to taxes and approved costs, fees and expenses as explained below). The amount to be distributed among the class members will be divided between Global Crossing and Asia Global Crossing securities purchasers, with Global Crossing securities purchasers getting 92% of the amount and Asia Global Crossing securities purchasers getting the remaining 8%. Funding of the settlement in this case will exhaust available insurance proceeds applicable to the claims brought in the Securities Action.

The Securities Action Plaintiffs, Settling Defendants and Releasees disagree on the amount of damages that could have been recovered if the Securities Action Plaintiffs prevailed on each claim at trial. The Securities Action Plaintiffs estimate that the approximate average amount of damages to the Securities Action Plaintiffs are as follows: \$7.83 per share of Global Crossing common stock; \$195.98 per share of Global Crossing preferred note; \$863.56 per Global Crossing bond; \$1.28 per share of Asia Global Crossing stock; and \$782.48 per Asia Global Crossing bond. The Settling Defendants and Releasees do not believe that the Securities Action Plaintiffs and the Class they seek to represent would be entitled to any damages in this action even if the Securities Action Plaintiffs were to prove the allegations in the lawsuit. The Settling Defendants and Releasees believe that the Securities Action Plaintiffs' losses, if any, resulted from conditions in the economy as a whole and the telecommunications industry in particular, rather than from any matters peculiar to Global Crossing.

Plaintiffs estimate that, if all Class Members make a claim, the average payment will be an average of \$0.042 per share of damaged Global Crossing common stock; \$1.044 per share of damaged Global Crossing preferred stock; \$4.598 per damaged Global Crossing note; \$0.037 per damaged Asia Global Crossing share; and \$22.531 per damaged Asia Global Crossing note. Of these amounts, fees and expenses will be requested of up to \$0.009 per share of damaged Global Crossing common stock, \$0.225 per share of damaged Global Crossing preferred stock, \$0.991 per damaged Global Crossing note, \$0.001 per damaged Asia Global Crossing share, and \$0.898 per damaged Asia Global Crossing note. The amount of expenses the Securities Lead Counsel intends to seek will not exceed \$2.9 million. **Please note that these amounts are only estimates.**

Securities Lead Counsel intends to seek an award of attorneys' fees and expenses. Before being named Lead Plaintiffs, the Public Employees' Retirement System of Ohio and State Teachers' Retirement System of Ohio negotiated a fee agreement with Lead Counsel providing that Lead Counsel may request a fee of no more than 19% of the recovery up to \$150 million and 18% of the recovery from \$150 million to \$300 million. Since the minimum value of the Securities Action Settlement is approximately \$205 million, Securities Lead Counsel will seek no more than the \$38.4 million in fees, as is permitted under its agreement with the Lead Plaintiffs. Securities Lead Counsel will not seek attorneys' fees on the portion of the Settlement that will be placed in the reserve accounts as described below, even though some portion of those accounts may eventually be distributed to the class.

The Employee Retirement Income Security Act ("ERISA") Actions Settlement will provide approximately \$79 million (subject to fluctuations in the exchange rate, and deductions for certain reserves and implementation costs as explained below), of which approximately \$69 million will be available for distribution among Class Members (subject to taxes, approved costs, fees and expenses as explained below), to pay claims for losses suffered by the participants and beneficiaries in certain employee benefit plans. The Settlement proceeds will be apportioned 98.72% to the 401(k) Actions and 1.28% to the Severance Action. Funding of the Settlement in this case will exhaust available insurance proceeds applicable to the claims brought in the ERISA Actions.

The ERISA Actions Settlement resolves lawsuits over whether certain of the Settling Defendants breached their fiduciary duties to the Global Crossing Employees' Retirement Savings Plan, the Frontier Group Bargaining Unit Employees Retirement Savings Plan and the Frontier Corporation/Global Crossing Severance Plan.

The Court has not reached any decisions in connection with plaintiffs' claims against Settling Defendants. Instead, the plaintiffs and the Settling Defendants and certain Releasees have agreed to a settlement. In reaching the Settlement, they have avoided the cost and time of a trial. Plaintiffs have agreed to this

Settlement to preserve the Settling Defendants' insurance proceeds so that this money can be paid to the Class Members. The costs of defending these actions were rapidly depleting the Settling Defendants' insurance money. The Settling Defendants would certainly have exhausted a substantial portion of the remaining insurance money if these cases were to go to trial. Given the insolvency of Global Crossing and Asia Global Crossing, plaintiffs could not be sure they would be able to collect on a judgment against the Settling Defendants even if they were able ultimately to obtain one if the insurance proceeds were to be substantially depleted or to be unavailable. In addition, with respect to the ERISA Actions, substantial uncertainty existed about the availability of insurance coverage even if ERISA Plaintiffs were to win at trial given one of the insurer's position that no coverage for ERISA claims existed under its policies.

If you belong to any of the classes in these cases and this Settlement is approved, your legal rights will be affected whether you act or not. Read this Notice carefully to see what your options are in connection with this Settlement. You will see some differences in the rules and procedures that apply to the Securities Action and the ERISA Actions.

Your Legal Rights and Options in the Securities Action Settlement:

Submit a Claim Form (by September 6, 2004)	If the Settlement is approved and you are a member of the securities class, you will be entitled to receive a settlement payment, but <i>only</i> if you submit a claim form (a copy of which is enclosed and is available at www.globalcrossinglitigation.com).
Exclude Yourself (by July 13, 2004)	If you do not wish to participate in the Securities Action Settlement, you <i>must</i> exclude yourself (as described below). If you exclude yourself, you will <i>not</i> receive any payment under the Settlement. You cannot bring or be part of another lawsuit against any of the Releasees (as defined below) based on the claims in this case unless you exclude yourself from the securities class.
Object (by July 13, 2004)	If you do not exclude yourself, but you wish to object to any part of the Settlement, you may (as discussed below) write to the Court about your objections.
Attend the Hearing (to be held on July 23, 2004)	If you have submitted a written objection to the Settlement to the Court, you may (but do not have to) attend the court hearing about the Settlement and present your objections to the Court at that hearing.
Fail to Submit a Claim or Opt Out	If the Settlement is approved and you do not submit a claim form or exclude yourself, you will not receive any securities settlement payment. You will nevertheless, as part of the Settlement, give up all of your claims against all of the Releasees in the Settlement and you will not be able to bring or pursue any claims against any of them in any other lawsuit. The claims that you will give up if the Settlement is approved are set out in the Release that is found in the Settlement Agreement. A complete copy of the Release is reprinted at Exhibit A to this Notice and is available at www.globalcrossinglitigation.com .

Your Legal Rights and Options in the ERISA Actions Settlement:

You Can Do Nothing. No Action is Necessary to Receive Payment.	<p>If the Settlement is approved by the Court and you are a member of one or more of the ERISA classes, you will not need to do anything to receive a payment. Under the ERISA Actions Settlement, the Plan Administrator will calculate the portion, if any, of the ERISA Actions Settlement Fund that you are entitled to receive.</p> <p>If you are a current 401(k) Plan participant and are authorized to receive a payment, the Settlement Administrator will deposit the payment into your 401(k) Plan Account. If you were but no longer are a 401(k) Plan participant and are authorized to receive a payment, a 401(k) Plan account will be established for you, and you will be notified of such account.</p> <p>If you are entitled to receive a portion of the Severance Plan Settlement, the Plan Administrator will calculate the portion, if any, of the ERISA Actions Settlement Fund that you are entitled to receive.</p>
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Object (by July 13, 2004)	If you wish to object to any part of the ERISA Actions Settlement, you may (as discussed below) write to the Court about why you do not like the Settlement.
Attend the Hearing (to be held on July 23, 2004)	If you have submitted a written objection to the Settlement to the Court, you may (but do not have to) attend the court hearing about Settlement and present your objections to the Court.

These rights and options – **and the deadlines to exercise them** – are explained in this Notice. Please note the date of the Court hearing – currently scheduled for July 23, 2004 – is subject to change without further notice. If you plan to attend the hearing, you should check with the Court to be sure no change to the date and time of the hearing has been made.

The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members only if the Court approves the Settlement and that approval is upheld in any appeals.

Further information regarding the Securities Action and this Notice may be obtained by contacting Securities Plaintiffs' Lead Counsel:

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 Grant & Eisenhofer, P.A.
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The Securities Action, 401(k) Actions and the Severance Action were all filed shortly after Global Crossing filed bankruptcy in January 2002. As described in more detail below and in the complaints themselves, the cases concern allegations of misrepresentations, omissions and schemes to defraud Global Crossing and Asia Global Crossing shareholders and allegations of breaches of fiduciary duty to participants and beneficiaries of certain employee benefit plans. Copies of the lawsuits filed in the Securities and ERISA Actions are available at www.globalcrossinglitigation.com.

SUMMARY OF SETTLEMENT

Statement of Plaintiffs' Recovery in the Securities Action

The Settlement described in this Notice,¹ provides for the payment of approximately \$245 million (subject to fluctuations in the exchange rate, and deductions for certain reserves and implementation costs as explained below), to settle claims and potential claims brought by persons or entities that purchased or otherwise acquired Global Crossing and Asia Global Crossing securities during the Securities Class Period. Depending on the exchange rate, approximately \$205 million of that amount may be available for distribution to class members (less all taxes, approved costs, fees and expenses).²

The Settlement would result in the dismissal and/or release of certain claims by all Class Members in the Securities Action as to the persons and entities included within the definition of "Releasees" in the Settlement Agreement. (The complete definition of "Releasees," along with the definition of "Released Claims" and the full Release, is reprinted in Exhibit A to this Notice.) The Releasees include Global Crossing Ltd., Asia Global Crossing Ltd., all of their current and former directors, officers and employees, their attorneys and certain companies or entities in which those individuals or entities had an ownership or control interest. Throughout this Notice, those individuals and entities are referred to as "Releasees."

The approximate \$245 million payment consists of: (a) \$10 million from a Global Crossing excess director and officer liability insurance policy; (b) approximately \$185 million from another of Global Crossing's excess director and officer liability insurance policies; (c) \$30 million from Gary Winnick, Global Crossing's former Chairman; and (d) \$19.5 million from Global Crossing's former outside counsel, Simpson Thacher & Bartlett LLP ("Simpson Thacher"). **The payments that will be made by Global Crossing's insurers will exhaust all applicable insurance proceeds. Please note that the Settlement is a partial settlement. As explained below, the case will continue as to other defendants in the Securities Action who are not part of this Settlement.**

Because approximately \$185 million of the Settlement will be paid in British currency, the actual amount of money available for distribution to the Class will depend on fluctuations in foreign exchange rates and the applicable exchange rate at the date of the funds' distribution. A Class Member's actual recovery will be a proportion of the total amount of the money to be paid to Class Members determined by his, her or its Recognized Claim (as described further in the Answer to Question No. 9) as compared to the total Recognized Claims of all Class Members who submit acceptable proofs of claim.

Statement of Plaintiffs' Recovery in the ERISA Actions

A Settlement Fund consisting of approximately \$79 million (less all taxes, approved costs, approved expended reserves, fees and expenses) in cash has been established in the ERISA Actions. The \$79 million ERISA Settlement Fund consists of: (a) \$22 million from a Global Crossing fiduciary duty liability policy; (b) approximately \$32 million from a foreign insurer of Global Crossing; and (c) \$25 million that had been pledged by Gary Winnick. Because approximately \$32 million of the Settlement will be paid in British currency, the actual amount of money available for distribution to the Class will depend on fluctuations in foreign exchange rates.³ The Settlement Fund

¹ This Notice summarizes and is qualified in its entirety by the Settlement Agreement which sets out the terms of the Settlement. Please refer to the Settlement Agreement for a complete description of the terms and provisions thereof. A copy of the Settlement Agreement is available at www.globalcrossinglitigation.com.

² A large portion of the Securities Settlement will be paid in British Pounds. The exchange rate for British Pounds has fluctuated over the period in which the Settlement Agreement was negotiated. During the thirty days prior to the Court's preliminary approval of the Settlement on March 19, 2004, the exchange rate fluctuated between \$1.802 per British Pound (on March 13, 2004) and \$1.904 per British Pound (on February 18, 2004). The thirty-day average for that time period was \$1.846 per British Pound. That exchange rate is used throughout the notice in valuing the Settlement. There is, of course, no guarantee that that rate will be in effect when this Settlement is finally approved and the money is converted into United States dollars. The conversion rate could be higher or it could be lower. There is no way to predict what it will be.

³ As with the Securities Settlement, an exchange rate of \$1.846 per British Pound is used throughout this Notice.

will be apportioned 98.72% to the 401(k) Actions and 1.28% to the Severance Action. The 401(k) Actions' share of the Settlement Fund will in turn be apportioned among 401(k) Actions Class Members in accordance with their respective Net Losses, as explained below in the Answer to Question No. 9. The Severance Plan's share of the Settlement Fund will be apportioned among Severance Action Class Members in accordance with their respective unpaid entitlements under the Severance Plan, as explained below in the Answer to Question No. 9. **The payments that will be made by Global Crossing's insurers will exhaust all applicable insurance proceeds.**

Statement of Potential Outcome of the Securities Action

As with any litigated case, plaintiffs would face uncertain outcomes if the Securities Action went to trial. Global Crossing filed for bankruptcy on January 28, 2002, and Asia Global Crossing filed for bankruptcy on November 17, 2002. The Bankruptcy Courts have discharged claims against those companies based on any alleged conduct before those dates, so plaintiffs and the Class cannot recover from those companies. In addition, there is a substantial risk that plaintiffs will be unable to access the insurance proceeds described above if the action is not settled under the terms set out in the Settlement Agreement. Those insurance proceeds could become unavailable in the future, and they could be significantly depleted by future defense costs leaving little or no insurance available to pay any judgment that could be obtained. By entering into this Settlement, Class Counsel has preserved for the Class the majority of the relevant remaining insurance proceeds. Based on these and other factors discussed below, Class Counsel and the Lead Plaintiff believe that this Settlement is fair, reasonable and adequate.

Throughout the pendency of the Securities Action, the plaintiffs and the Releasees disagreed on both liability and damages. The individuals and entities that are settling with the plaintiffs deny the claims and contentions alleged by plaintiffs, that they are liable to the plaintiffs or the Class, and that plaintiffs or the Class have suffered any damages that can be recovered from the Releasees. Nevertheless, the Releasees have taken into account the uncertainty and risks inherent in any litigation, particularly in complex cases such as this one, and have decided to resolve the litigation in the manner and upon the terms and conditions in the Settlement Agreement.

Statement of Potential Outcome of the ERISA Actions

As with any litigated case, plaintiffs would face uncertain outcomes if the ERISA Actions went to trial. Trials of the ERISA Actions could result in verdicts greater or lesser than the recovery under the Settlement Agreement, or in no recovery at all. In addition, Settling Defendants' insurance coverage would be significantly depleted, and could be exhausted entirely by the costs incurred in defending these actions, leaving little or no insurance available to pay any judgment that could be obtained.

Throughout this litigation, the plaintiffs and the Settling Defendants have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if plaintiffs were to prevail at trial. The Settling Defendants have denied and continue to deny the claims and contentions alleged by plaintiffs, that they are liable to the plaintiffs or the respective Classes, and that the plaintiffs or the Classes have suffered any damages for which the Settling Defendants are legally responsible. Nevertheless, the Settling Defendants have taken into account the uncertainty and risks inherent in any litigation, particularly in complex cases such as these, and have concluded that it is desirable that the ERISA Actions be fully and finally settled in the manner and upon the terms and conditions set forth in the Settlement Agreement.

Statement of Attorneys' Fees and Costs Sought in the Securities Action

Securities Lead Counsel intends to seek an award of attorneys' fees and expenses. Before being named Lead Plaintiffs, the Public Employees' Retirement System of Ohio and State Teachers' Retirement System of Ohio negotiated a fee agreement with Lead Counsel providing that Lead Counsel may request a fee of no more than 19% of the recovery up to \$150 million and 18% of the recovery from \$150 million to \$300 million. Since the minimum value of the Securities Action Settlement is approximately \$205 million, Securities Lead Counsel will seek no more than the \$38.4 million in fees, as is permitted under its agreement with the Lead Plaintiffs. Securities Lead Counsel will not seek attorneys' fees on the portion of the Settlement that will be placed in the reserve accounts as described below, even though some portion of those accounts may eventually be distributed to the class. The amount of expenses the Securities Lead Counsel intends to seek will not exceed \$2.9 million. The requested fees and expenses would amount to an average of \$0.009 per share of damaged Global Crossing common stock; \$0.225 per share of damaged Global Crossing preferred stock; \$0.991 per damaged Global Crossing note; \$0.001 per damaged Asia Global Crossing share, and \$0.898 per damaged Asia Global Crossing note.

Statement of Attorneys' Fees and Costs Sought in the ERISA Actions

Lead Counsel in the 401(k) Actions have agreed to seek an award of attorneys' fees not in excess of 20% of the recovery under the Settlement Agreement of the 401(k) Actions, plus reimbursement of expenses incurred in connection with the prosecution of the ERISA Actions. Lead Counsel in the Severance Action has agreed to seek an award of attorney's fees not in excess of 20% of the recovery under the Settlement Agreement of the Severance Action, plus reimbursement of expenses incurred in connection with the prosecution of the Severance Action. Lead Plaintiffs in the ERISA Actions will not apply for fees on reserves totaling \$6.4 million that are being funded from the Settlement Fund to pay for costs to implement this Settlement and on-going defense and related costs associated with claims covered by Global Crossing's insurance policies.

What Will the Named Plaintiffs Get?

The plaintiffs named in the Securities Action will share in the Securities Net Cash Settlement Amount on the same basis and to the same extent as all other Securities Action Class Members. The named plaintiffs may apply for reimbursement of the reasonable costs and expenses (including lost wages) directly relating to their representation of the Class.

The plaintiffs named in the ERISA Actions will share in the ERISA Net Cash Settlement Amount on the same basis and to the same extent as all other ERISA Action Class Members. The named plaintiffs may apply to the Court for compensation up to \$3,000 per named plaintiff, plus reimbursement of the reasonable costs and expenses directly relating to their representation of the Class.

Further Information

Further information regarding the Securities Action and this Notice may be obtained by contacting Securities Plaintiffs' Lead Counsel:

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BASIC INFORMATION

1. Why did I get this Notice package?

With respect to the Securities Action, you or someone in your family may have purchased or acquired Global Crossing or Asia Global Crossing stock, preferred stock or bonds between February 1, 1999 and December 8, 2003.

With respect to the ERISA Actions, you or someone in your family may have been a participant or beneficiary of the Global Crossing Employees' Retirement Savings Plan or the Frontier Group Bargaining Unit Employees Retirement Savings Plan between September 28, 1999 and December 8, 2003, or might have been a participant in the Frontier Corporation/Global Crossing Ltd. Change of Control Severance Plan.

The Court caused this Notice to be sent to you because, if you fall within any of these groups, you have a right to know about the proposed Settlement of class action lawsuits, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves it and after any objections and appeals are resolved, the Court appointed Claims Administrator (The Garden City Group, Inc.) will cause the required payments to be made to qualified claimants.

This Notice package describes the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of these cases is the United States District Court for the Southern District of New York. The people who sued are called plaintiffs, and the people they sued are called the defendants. The Securities Action is known as *In re Global Crossing Securities Litigation, Ltd.*, Case Number 02 Civ. 910 (GEL). The Securities Action Settlement is a partial settlement, because not all of the defendants in the Securities Action have agreed to settle. The ERISA Actions comprise the following actions. The Global Crossing RSP Action is known as *In re Global Crossing, Ltd. ERISA Litigation*, Case Number 02 Civ. 7453 (GEL). The Bargaining Unit RSP Action is known as *Pusloskie, et al. v. Winnick, et al.*, Case Number 02 Civ. 8508 (GEL). The Severance Action is known as *Simonetti, et al. v. Perrone, et al.*, Case Number 02 Civ. 1188 (GEL). The ERISA Actions Settlement is a complete settlement, because all defendants named in these three actions have agreed to settle.

The group of defendants that has agreed to settle is called the "Settling Defendants." The Settling Defendants for the Securities Action and the ERISA Actions are: Gary Winnick, Dan J. Cohrs, John L. Comparin, Linda Woodruff, Kenneth P. Schirmuhly, William S. Cohen, David L. Lee, James F. McDonald, Barry Porter, Abbott L. Brown, Lodwick M. Cook, John M. Scanlon, Hillel Weinberger, James C. Gorton, Joseph P. Clayton, Robert Annunziata, Leo J. Hindery, Jr., Thomas J. Casey, David A. Walsh, William B. Carter, Jr., S. Wallace Dawson, Jr., John A. Scarpati, John M. Finlayson, Jay R. Bloom, Dean C. Kehler, Jay R. Levine, William D. Phoenix, Bruce Raben, Geoffrey J.W. Kent, Eric Hippeau, Douglas H. McCorkindale, William E. Conway, Jr., K. Eugene Shutler, Joseph P. Perrone, Mark Attanasio, Thomas U. Koll, Pieter Knook, Maria Elena Lagomasino, John J. Legere and Stefan C. Riesenfeld. These Settling Defendants are all current and former officers, directors and/or employees of Global Crossing and/or Asia Global Crossing.

2. What are these lawsuits about?

These lawsuits involve certain allegations against Global Crossing and Asia Global Crossing, which were global telecommunications companies. Global Crossing was founded in 1997 by Gary Winnick, David L. Lee, Barry Porter, and Abbott L. Brown. Asia Global Crossing was founded in September 1999 by Global Crossing. Global Crossing became a public company on August 13, 1998. Asia Global Crossing became a public company on October 12, 2000, although Global Crossing retained a 51% ownership interest in Asia Global Crossing.

The Plaintiffs' Claims in the Securities Action

Since February 2002, over 50 putative class actions alleging securities law violations have been filed against, among others, current and former officers, directors and employees of Global Crossing Ltd. on behalf of putative classes of holders of Global Crossing securities. The Judicial Panel on Multidistrict Litigation centralized all of these actions before the United States District Court for the Southern District of New York for coordinated or consolidated pretrial proceedings by order dated September 6, 2002.

In a December 13, 2002 order, the Court: (i) consolidated the actions alleging securities law violations involving Global Crossing, (ii) appointed the Public Employees' Retirement System of Ohio and the State Teachers' Retirement System of Ohio as lead plaintiffs in the Securities Action, (iii) appointed Grant & Eisenhofer, P.A. as lead counsel in the Securities Action and (iv) created a committee of attorneys representing certain of the plaintiffs to assist in certain respects in the litigation (the "Executive Committee"). On January 28, 2003, a Consolidated Class Action Complaint was filed in the Securities Action by the Securities Lead Plaintiffs and plaintiffs Richard P. Kleinknecht, Staro Asset Management, the Bennett Restructuring Funds, James F. Tucker, B. I. Shuster, and Bella Pill against various defendants, including 33 former officers and directors of Global Crossing, Arthur Andersen LLP

(Global Crossing's former auditor), Citigroup Global Markets (formerly known as Salomon Smith Barney, Inc.), Canadian Imperial Bank of Commerce, CIBC World Markets, and other financial institutions that acted as underwriters on certain of Global Crossing's securities offerings during the Class Period, including, Goldman Sachs & Co., Merrill Lynch & Co., Merrill Lynch Pierce Fenner & Smith, Inc., Bear Stearns & Co., Inc., Chase Securities, Inc. and Donaldson Lufkin & Jenrette.

In a May 29, 2003 order, the Court consolidated into the Securities Action five putative class actions alleging securities law violations against, among others, current and former officers, directors and employees of Asia Global Crossing and placed one of the two law firms representing the lead plaintiffs in the Asia Global Crossing cases on the Executive Committee.

On August 11, 2003, an Amended Consolidated Class Action Complaint was filed in the Securities Action by the Securities Lead Plaintiffs and plaintiffs Richard P. Kleinknecht, Staro Asset Management, the Bennett Restructuring Funds, James F. Tucker, B. I. Shuster, Bella Pill, Michael A. Bernstein Profit Sharing Plan and Roman Foltyn on behalf of persons and entities who purchased or otherwise acquired Global Crossing and Asia Global Crossing securities during the Class Period against various defendants, including former officers and directors of Asia Global Crossing (many of whom were previously named as defendants in the Global Crossing securities action), Arthur Andersen LLP, Microsoft, Softbank and certain financial institutions, including Deutsche Banc Securities, Lehman Brothers, A.G. Edwards & Sons, Inc., First Union Securities, Inc., RBC Dominion Securities Corporation, Wasserstein Perella Securities, Inc., and Advest, Inc., that acted as underwriters on certain of Asia Global Crossing's securities offering during the Class Period. The Amended Complaint added claims on behalf of Asia Global Crossing stockholders and repeated the existing claims on behalf of Global Crossing stockholders.

On March 22, 2004, the Securities Lead Plaintiffs filed a Second Amended Consolidated Class Action Complaint to, among other things, update factual allegations based upon Securities Lead Plaintiffs' continuing investigation of the claims in the Securities Action, and bring the complaint into conformity with the Court's December 18, 2003 Opinion and Order concerning motions to dismiss filed on behalf of certain financial institutions that underwrote Global Crossing's securities.

In the Securities Action, Lead Plaintiffs and plaintiffs Richard P. Kleinknecht, Staro Asset Management, the Bennett Restructuring Funds, James F. Tucker, B. I. Shuster, and Bella Pill claim that the Settling Defendants violated United States securities laws by making false and misleading statements in Global Crossing's and Asia Global Crossing's filings with the Securities and Exchange Commission ("SEC") as well as in other public statements and press releases. In the Second Amended Consolidated Class Action Complaint ("Complaint"), the Securities Plaintiffs assert causes of action against the Settling Defendants under Sections 10(b), 14(a) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") and Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 ("the "Securities Act") for the defendants' roles in causing false and misleading registration statements and prospectuses to be issued in connection with Global Crossing's and Asia Global Crossing's various securities offerings.

Global Crossing's business involved the construction of an international fiber optic telecommunications network and its business plan concentrated on selling capacity on that network to other telecommunications carriers through long-term leases. Those carriers would, in turn, sell that capacity to end-users. Such leases between carriers are called "Indefeasible Rights of Use" or "IRUs." Global Crossing's predecessor, Atlantic Crossing, laid a trans-Atlantic cable and soon after Global Crossing was formed, it began to design and build a global fiber optic network by laying subsea cables across the Atlantic, the Pacific and eventually to, among other places, Bermuda, the Caribbean and Central America, and a system connecting the western United States and Central America. Global Crossing also built a terrestrial fiber optic network in Europe and acquired Frontier Corporation and Racal, which had terrestrial networks in North America and the United Kingdom, respectively. Global Crossing's business plan required large amounts of capital. In just three years, Global Crossing raised more than \$20 billion in debt and equity from the securities markets.

On August 13, 1998, Global Crossing became a public company. On that day, Global Crossing made an initial public offering or "IPO" of 21 million shares of common stock and raised approximately \$399 million from public investors. Asia Global Crossing became a public company in October 2000, when it sold more than 20 million shares of its common stock on the open market, raising approximately \$479 million from public investors. During the Class Period, Global Crossing and Asia Global Crossing made numerous other offerings of preferred stock and bonds, some of which are described in the Plan of Allocation and in the Answer to Question No. 9 of this Notice, "*How much will my payment be?*"

In the Complaint, the Securities Plaintiffs specifically allege the following:

- Global Crossing's and Asia Global Crossing's accounting for IRU leases violated Generally Accepted Accounting Principles ("GAAP") and misrepresented Global Crossing's and Asia Global Crossing's revenues and financial performance;
- The Settling Defendants swapped IRUs with other telecommunications carriers for no business purpose, and structured the transactions to conceal that they were simply exchanging similar assets so as to make it appear that Global Crossing and Asia Global Crossing were entering into independent transactions rather than reciprocal swaps with no business purpose;
- The Settling Defendants were aware that, under the applicable GAAP accounting rules, no revenue should be recognized when two parties exchange similar assets. Nonetheless, the Securities Action plaintiffs allege that Global Crossing and Asia Global Crossing reported billions of dollars in fictitious revenue from these swap transactions and, in so doing, misled the investing public as to the companies' financial condition;
- The Settling Defendants publicly denied that Global Crossing and Asia Global Crossing were engaging in reciprocal swap transactions even though the Settling Defendants knew this was not true; and
- The Settling Defendants and their accountants, Arthur Andersen LLP, which orchestrated the IRU lease scheme, knew that the way Global Crossing and Asia Global Crossing were accounting for IRU leases violated GAAP, but continued to misrepresent the companies' financial results.
- Simpson Thacher was not named as a defendant in the Complaint. However, the Securities Plaintiffs were prepared to allege that Simpson Thacher had assisted the Settling Defendants in connection with the above activities.

The Defenses in the Securities Action

The Settling Defendants and Releasees have denied violating the Securities Act and the Exchange Act. If required to respond to the Complaint, Settling Defendants and Releasees would raise numerous defenses, including the following:

- They did nothing wrong in accounting for complex transactions for which GAAP requirements were unclear and relied on their outside advisors for accounting treatment;
- They lacked the requisite intent for liability to attach under Section 10(b) and Rule 10b-5 of the Exchange Act;
- They are not liable under Sections 11 and/or 12 of the Securities Act because the registration statements and prospectuses that are the subject of the Securities Action were true and complete and, further, that they had reasonable grounds for believing those filings and other public disclosures to be complete and accurate;
- They are not liable under Sections 11 and/or 12 of the Securities Act because they had no reason to believe that the parts of the various registration statements and prospectuses that were prepared by experts (e.g., accountants, attorneys, appraisers, etc.) were false or misleading or were inaccurately represented in the registration statements and prospectuses that are the subject of the Securities Action;
- Neither the accounting treatment of IRUs or any misstatements in the registration statements and prospectuses were the cause of the decline in value of Global Crossing and Asia Global Crossing securities;

- They are not liable under Section 10(b) of the Exchange Act or Sections 11 or 12 of the Securities Act because the alleged misstatements were not “material”; and
- The Securities Plaintiffs’ losses were caused by a general collapse of the telecommunications industry which was precipitated in part by overcapacity of fiber optic cables, rather than by the Settling Defendants’ accounting treatment of IRUs, conduct of the companies’ business or their alleged misstatements.
- Simpson Thacher would also contend that it was not subject to primary liability under the securities laws because it did not make any false or misleading statements to the investing public and there is no liability for aiding and abetting under the securities laws.

It is anticipated that the Settling Defendants and any other Releasees who were sued would have pursued these defenses with vigor.

The Settling Defendants’ Insurance Policies in the Securities Action

At the outset of the case, the Settling Defendants had directors’ and officers’ insurance policies applicable to the securities claims (the “D&O Policies”) in the amount of approximately \$235 million. This coverage consisted of five policies written in the U.S. in the amount of \$10 million each, and an excess policy in the amount of 100 million British Pounds from a foreign excess policy (the “Foreign Excess Coverage”) (valued at approximately \$185 million, although the actual dollar value of the Foreign Excess Coverage fluctuates depending upon the exchange rate for U.S. and U.K. currencies). To date, approximately \$40 million of the D&O policies written in the U.S. have been exhausted by defense costs. Because Global Crossing and Asia Global Crossing are insolvent and bankrupt, they are unable to satisfy any award of damages. For a number of reasons, plaintiffs are concerned that a judgment or settlement obtained later in time could not be paid out of the Foreign Excess Coverage. These concerns include that the Foreign Excess Coverage would be diminished by the payment of defense costs and that the Foreign Excess Coverage also provides coverage to other insureds aside from Global Crossing and Asia Global Crossing officers and directors.

As part of the Settlement, the Court has withdrawn its references to the United States Bankruptcy Court for the Southern District of New York in Global Crossing and Asia Global Crossing’s bankruptcy cases of all matters related to the insurance policies issued by Global Crossing and Asia Global Crossing. Additionally, the District Court will be asked to rule that, in funding the Settlement with all remaining insurance proceeds: (i) the Insurers will not be acting inconsistently with either their obligations to act in good faith or their respective obligations and duties under their respective insurance policies, (ii) the Insurers will be fully, adequately and finally discharging all of their respective obligations to all insureds under such policies as to all past, present and future claims and issues that have been or could have been asserted in these Actions or in any other action, lawsuit or proceeding, including, but not limited to, any claims and issues that are based upon, arise out of, or relate to the Actions, or the transactions and occurrences referred to in the Complaints, and (iii) none of the Insurers will be acting in bad faith in making any payments for any insured under any such policies. If the Court does not enter an order consistent with these provisions, the Settlement Agreement may be terminated by the Insurers.

The Securities Class Claims Have Been Aggressively Litigated

Before filing the first consolidated complaint, Lead Counsel for the Securities Plaintiffs undertook an extensive investigation into the events surrounding the demise of Global Crossing and Asia Global Crossing. The investigation included the review and analyses of SEC filings, press releases, public statements, news articles and other publications, records of Global Crossing’s analyst conference calls and securities analysts’ reports. The investigation also included in-person and telephonic interviews of over 100 former Global Crossing employees. Following the filing of the Complaint, Lead Counsel’s investigation continued.

Lead Counsel for the Securities Plaintiffs have reviewed and analyzed thousands of internal Global Crossing and Asia Global Crossing documents such as e-mails, memoranda, and financial and sales reports. The Securities Plaintiffs moved for partial relief from the stay of discovery provided by the federal Private Securities Litigation Reform Act of 1995 (the “PSLRA”) to obtain documents Global Crossing produced to governmental agencies that were investigating the same conduct at issue in the Securities Action. These efforts resulted in an agreement with the Settling Defendants and others that allowed Lead Counsel for the Securities Plaintiffs to review and analyze approximately 270,000 pages of documents and records Global Crossing produced to Congress, the SEC and other

governmental agencies. These documents related to, among other things, transactions discussed in the Complaint, public disclosures, internal budgets and forecasts, communications with analysts and the public regarding financial prospects, internal policies regarding insider trading transactions, records regarding insider trades and executive compensation. The Securities Plaintiffs' Lead Counsel and their accounting consultants have spent thousands of hours reviewing these documents over the past seven months.

To preserve Global Crossing's and Asia Global Crossing's insurance proceeds for the members of the Class in the Securities Action, Lead Counsel agreed that, while serious settlement discussions with the insured defendants were in progress, those defendants would not be required to spend time and insurance money to file motions to dismiss the consolidated complaint.

As of the time of this Settlement, nearly all of the Securities Action defendants who are not Settling Defendants and who have been served with the complaint have filed motions to dismiss the Securities Action. The Court has so far ruled on the motions filed by certain underwriters of Global Crossing securities and by Arthur Andersen LLP. On December 18, 2003, the Court issued a decision denying, in large part, the underwriters' motions to dismiss. On March 23, 2004, the Court issued a decision also denying, in large part, Arthur Andersen LLP's motions to dismiss.

The Securities Action will continue despite this Settlement against Arthur Andersen LLP, Citigroup, Citigroup Global Markets (formerly known as Salomon Smith Barney, Inc.), Jack Grubman and other Salomon Smith Barney former employees, Canadian Imperial Bank of Commerce, CIBC World Markets, and other financial institutions that acted as underwriters of certain of Global Crossing's securities including Goldman Sachs & Co., Merrill Lynch & Co., Merrill Lynch Pierce Fenner & Smith, Inc., Bear Stearns & Co., Inc. and Chase Securities, Inc., Microsoft, Softbank, underwriters of Asia Global Crossing initial public offering, and other defendants, including Deutsche Banc Securities, Lehman Brothers, A.G. Edwards & Sons, Inc., First Union Securities, Inc., RBC Dominion Securities Corporation, Wasserstein Perella Securities, Inc. and Advest, Inc.

Settlement Discussions in the Securities Action

This Settlement is the product of more than a year of intense negotiations between Lead Counsel for the Securities Plaintiffs and the Settling Defendants and Releasees and a lengthy mediation process. Preliminary settlement discussions with the Global Crossing-related Settling Defendants began in January 2003, when Lead Counsel for the Securities Plaintiffs made a settlement demand on the Settling Defendants. In February 2003, Lead Counsel for the Securities Plaintiffs requested that the Court hold a mediation session to assist the parties in determining whether a settlement was feasible. Based on this request, the Court appointed United States Magistrate Judge Michael Dolinger to work with the parties in exploring settlement possibilities.

On April 29, 2003, the Court ordered Lead Counsel for the Securities Plaintiffs, the Settling Defendants and their insurers to participate in mediation sessions. Beginning in May 2003, Magistrate Judge Dolinger held mediation sessions with Lead Counsel for the Securities Plaintiffs, the Settling Defendants and the Insurers. Mediation sessions continued throughout 2003 and into 2004, and included approximately twenty in-court conferences and significantly more telephone conferences. Throughout the settlement negotiations, Lead Counsel for the Securities Plaintiffs and the Settling Defendants were advised by various consultants and experts, including accounting and damages experts with experience in securities fraud cases.

In January 2003, Lead Counsel for the Securities Plaintiffs and Simpson Thacher agreed to toll the statute of limitations for any claims that might be asserted against Simpson Thacher. Lead Counsel for the Securities Plaintiffs had interviewed former employees of Global Crossing concerning Simpson Thacher's role in Global Crossing, reviewed numerous documents produced to the SEC by Global Crossing relating to Simpson Thacher, and reviewed a lengthy and detailed report by the Special Committee on Accounting Matters formed by Global Crossing's Board of Directors in February 2002. Lead Counsel for the Securities Plaintiffs commenced settlement discussions with Simpson Thacher in July 2003. Between July 2003 and January 2004, Lead Counsel for the Securities Plaintiffs had settlement discussions with Simpson Thacher that resulted in an agreement by the law firm to pay \$19.5 million in exchange for a release of claims. The Securities Plaintiffs were prepared to allege that the law firm assisted in some of the conduct described in the complaint. There was a substantial risk, however, that the claims would be dismissed because the federal securities laws do not permit liability for aiding and abetting. Simpson Thacher also would have raised a number of factual defenses, including that it acted properly at all times in rendering services to Global Crossing. At all times, Simpson Thacher has adamantly denied and continues to deny any liability to the Securities Plaintiffs.

The Plaintiffs' Claims in the ERISA Actions

- **The 401(k) Actions**

The 401(k) Actions claim that certain of the Settling Defendants violated their fiduciary duties under the Employee Retirement Income Security Act ("ERISA") as to the 401(k) Plans. In the Consolidated Amended Master Class Action Complaint filed as to the Global Crossing RSP on January 28, 2003, and in the First Amended Complaint filed as to the Bargaining Unit RSP on November 26, 2002, the ERISA Plaintiffs assert causes of action under Sections 406, 407, 502(a)(2) and 502(a)(3) for the losses suffered by the 401(k) Plans as the result of the alleged breach of fiduciary duty by the defendants named in those Complaints. The ERISA Plaintiffs filed corresponding claims against Global Crossing itself in its bankruptcy case.

Participants in the 401(k) Plans were able to invest a portion of their salaries in those plans. Participants who did so received a matching contribution from Global Crossing. The Frontier Group RSP also received Company contributions pursuant to a collective bargaining agreement. The 401(k) Plans maintained a number of investment options for participants' contributions, including Global Crossing stock. Matching contributions were invested in Global Crossing stock for a period of five years, unless the participant's employment with Global Crossing was terminated prior to that. The restriction on investment of the matching contributions was modified after Global Crossing's bankruptcy filing. Substantial portions of the 401(k) Plans' assets were invested in Global Crossing stock.

The ERISA Plaintiffs' Complaints allege that the 401(k) Plans suffered losses from holding Global Crossing stock, and from continued acquisition of Global Crossing stock, after the time that holding or acquisition of that stock had become imprudent and therefore was not permitted by ERISA. The Complaints allege that the defendants failed to act prudently in the selection of Global Crossing stock as an investment alternative under the 401(k) Plans, or in monitoring the 401(k) Plans' ongoing holding of and continued investment in Global Crossing stock. The Complaints also assert that the defendants violated their fiduciary duties by failing to avoid conflicts of interest, by failing to provide participants with complete and accurate information, by failing to monitor other fiduciaries, and by permitting the 401(k) Plans to engage in prohibited transactions under ERISA.

The Complaints allege that, beginning in 1999, events unfolded that had a profound impact on Global Crossing's business and prospects, and that rendered the holding and continued acquisition of Global Crossing stock imprudent and inappropriate for retirement savings plans such as the 401(k) Plans. These events include increased competition, increased supply of fiber optic capacity, declining prices, evolving customer demands and changes in financial accounting standards, all of which threatened Global Crossing's business model.

The Complaints further allege that these circumstances continued to evolve throughout 2000-2001, causing the imprudence of holding or continued investment in Global Crossing stock to become more acute. Global Crossing responded with a series of increasingly manipulative and inappropriate actions, which are described above under "The Plaintiffs' Claims in the Securities Actions."

During this time, the Complaints allege the defendants were fiduciaries of the 401(k) Plans, with duties under ERISA to act prudently as to the 401(k) Plans investments, including the investments in Global Crossing stock and the continued offering of Global Crossing stock as an investment alternative under the 401(k) Plans. The Complaints allege that the defendants knew, or in the exercise of their fiduciary duties should have known, of the imprudence of continued investment in or holding of Global Crossing stock by the 401(k) Plans. Instead of acting appropriately to address this situation on behalf of the 401(k) Plans, the defendants permitted the 401(k) Plans to continue to hold and invest in Global Crossing stock, sold millions of dollars of Global Crossing stock personally, and provided incomplete and inaccurate information to 401(k) Plan participants about Global Crossing stock.

- **The Severance Action**

The Severance Action claims that certain of the Settling Defendants violated their fiduciary duties under ERISA as to the Severance Plan. The Severance Plan provided for the payment of severance benefits to terminated employees under certain circumstances. The Complaint in the Severance Action alleges that the defendants failed to act prudently and suffered from conflicts of interest, and as a result they failed to take appropriate steps to assure that Global Crossing paid amounts due under the Severance Plan.

The Defenses in the ERISA Actions

The Settling Defendants deny that they have liability to the ERISA Plans or the Plans' participants or beneficiaries. If required to respond to the Complaints filed in the ERISA Actions, they would raise numerous defenses to liability, including the following:

- They were not fiduciaries of the ERISA Plans, or, if they were fiduciaries, their fiduciary duties did not extend to the matters at issue in the ERISA Actions;
- To the extent they were fiduciaries as to the matters at issue in the ERISA Actions, they fully discharged all fiduciary duties imposed on them by ERISA;
- Even if they failed to discharge one or more of their ERISA fiduciary duties, any such breach of fiduciary duty did not cause the losses alleged in the Complaints; and
- The relief sought by the ERISA Actions is not permitted by ERISA.

The Settling Defendants' Insurance Policies in the ERISA Action

Certain other insurance coverages (the "Other Insurance") currently provide potential valuable sources of recovery, currently valued at approximately \$54 million. The Other Insurance consists of a fiduciary liability policy written in the United States, with a coverage limit of \$25 million, and coverage written by a foreign insurer. The foreign insurer denies that this coverage applies to the claims in the ERISA Actions and has reserved the right to assert this denial if the Settlement is not concluded. As part of the Settlement, the foreign insurer is contributing the sum of 18 million British Pounds in full settlement of the disputed claims concerning the extent of coverage in the ERISA Actions.⁴

The ERISA Action Class Claims Have Been Aggressively Litigated

Counsel for the ERISA Plaintiffs have conducted an extensive investigation of Global Crossing and the losses suffered by the ERISA Plans as a result of the decline and ultimate demise of Global Crossing. This investigation included review and analysis of ERISA Plan materials and communications with participants, SEC filings, press releases, public statements, news articles and other publications, records of Global Crossing's analyst conference calls and securities analysts' reports. The investigation also included in-person and telephonic interviews of dozens of Plan participants. As the result of discussions with defendants' counsel, the ERISA Plaintiffs' counsel obtained access to tens of thousands of electronic internal Global Crossing documents, including e-mails, memoranda, and financial and sales reports, as well as over 270,000 pages of documents and records Global Crossing produced to Congress, the SEC and other governmental agencies.

The ERISA Plaintiffs' counsel conducted an extensive review and analysis of these materials. The ERISA Plaintiffs' counsel also conducted an extensive review of the available insurance coverage. The issuer of the Foreign Supplemental Policy has consistently denied that this policy provides any coverage for the claims asserted in the ERISA Action, and has denied that it is subject to jurisdiction in the United States on questions of coverage. The ERISA Plaintiffs' counsel have taken various steps to persuade the issuer of its exposure in the ERISA Actions and of the advisability of settlement. The ERISA Plaintiffs' counsel retained U.K. counsel concerning applicability of coverage under the Foreign Supplemental Policy and the procedures available in the U.K. to establish such coverage, and analyzed and communicated with the issuer of the Foreign Supplemental Policy about the basis on which the ERISA plaintiffs could invoke the jurisdiction of United States courts to adjudicate the coverage issue.

⁴ Approximately \$3 million of the \$25 million limit of the policy written in the U.S. has been expended on defense costs, leaving a balance of approximately \$22 million that would be available to fund the Settlement. The actual dollar value of the Settlement depends on the exchange rate at the time of the Settlement. The ERISA Plaintiffs have agreed with the issuer of the foreign policy that if at the time the Court's approval of the Settlement becomes final the actual exchange rate is greater than it was on March 19, 2004, one-half of the increased dollars resulting from the increase in the exchange rate will be remitted to the issuer or its assignee.

Settlement Discussions in the ERISA Actions

This Settlement is the product of more than a year of intense negotiations between the ERISA Plaintiffs' counsel and the Settling Defendants and a lengthy mediation process. Preliminary settlement discussions began in January 2003, when the ERISA Plaintiffs' counsel made a settlement demand on the Settling Defendants. In February 2003, the ERISA Plaintiffs' counsel requested that the Court hold a mediation session to assist the parties in determining whether a settlement was feasible. Based on this request, the Court appointed United States Magistrate Judge Michael Dolinger to work with the parties in exploring settlement possibilities. On April 29, 2003, the Court ordered the ERISA Plaintiffs' counsel, the Settling Defendants and their insurers to participate in mediation sessions.

Beginning in May 2003, Magistrate Judge Dolinger held mediation sessions with the ERISA Plaintiffs' counsel, the Settling Defendants and the Insurers. Mediation sessions continued through 2003 and 2004, and included numerous in-court conferences as well as telephone conferences. Throughout the settlement negotiations, the ERISA Plaintiffs' counsel and the Settling Defendants were advised by various consultants and experts, including individuals with expertise in ERISA fiduciary liability issues, insurance coverage issues, and estimating potential damages in ERISA fiduciary liability litigation.

The Secured Creditors' Action

On October 27, 2003, some of Global Crossing's former secured creditors filed a lawsuit in New York state court (the "Secured Creditors' Action") against many of the same Global Crossing directors and officers who are named in the Securities Action. The Secured Creditors' Action alleges that, between August 2001 and September 2001 the secured creditors loaned Global Crossing \$1.7 billion based on false certifications of Global Crossing's financial condition, including that the company met certain financial performance measurements. The secured creditors are seeking \$1.7 billion in damages. The suit was subsequently removed to the U.S. District Court for the Southern District of New York and assigned to Judge Lynch. The filing and pendency of the Secured Creditors' Action significantly complicated the settlement of the Securities Action because the secured creditors' claims are arguably covered by the same insurance policies that provide coverage for the claims of the Securities Plaintiffs. The secured creditors have agreed to release Global Crossing's former outside directors in exchange for a one-half share in a payment of \$13 million by the Securities Plaintiffs and in a payment of \$3.25 million by the ERISA Plaintiffs, the other half share of which is being paid to the Estate Representative as described below. In addition, the secured creditors have agreed not to oppose the Settlement. Absent an agreement, the secured creditors might have objected to the Settlement and might have appealed any decision by the Court that rejected their objection. Such an appeal would be time-consuming and expensive. In addition, there would be no guarantee that a court would not rule that the secured creditors had priority over the Plaintiffs as to the remaining Global Crossing and Asia Global Crossing D&O insurance proceeds.

The Estate Representative's Action

On January 27, 2004, Global Crossing's Estate Representative, which inherited the company's legal claims (now representing the company's secured and unsecured creditors), filed a lawsuit against certain former officers and directors of Global Crossing, Arthur Andersen LLP and certain of the company's investment banks (the "Estate Representative Action"). The suit alleges breaches of fiduciary duty, corporate waste and self-dealing. Like the Secured Creditors' Action, the filing and pendency of the Estate Representative Action significantly complicated the settlement of the Securities Action because the Estate Representative's claims against the former Global Crossing officers and directors are arguably covered by the same insurance policies that provided coverage for the Securities Plaintiffs' claims. One half of the payments described above will be paid to the Estate Representative, which has agreed to release certain individuals from any claims and also has agreed not to oppose the Settlement. Absent an agreement with the Estate Representative, the Estate Representative might have objected to the Settlement and might have appealed any decision by the Court that rejected its objection. Such an appeal would be time-consuming and expensive. In addition, there would be no guarantee that a court would not rule that the Estate Representative had priority over the Plaintiffs as to the remaining Global Crossing and Asia Global Crossing D&O insurance proceeds.

The Underwriters' Action

On January 26, 2004, a lawsuit was filed in the U.S. District Court for the Southern District of New York by Goldman, Sachs & Co., Citigroup Global Markets Inc., and Merrill Lynch, Pierce, Fenner & Smith Incorporated,

certain underwriters of Global Crossing's April 2000 convertible preferred stock offering, against some of the Settling Defendants (the "Underwriters' Action"). The underwriters alleged that, to the extent that they might be found liable to the plaintiffs in the Securities Action for violating federal securities laws relating to the underwriting of Global Crossing's offering of convertible preferred stock in April 2000, certain of the Settling Defendants should be responsible for contributing to any award paid to the plaintiffs because those Settling Defendants allegedly failed to disclose Global Crossing's accounting improprieties and misrepresented the company's financial results. On March 2, 2004, the underwriters voluntarily dismissed this suit without prejudice.

The Contribution Bar Order and Complete Bar Order

If the Court approves the Settlement, the Court will, pursuant to the PSLRA, enter a "Securities Contribution Bar Order" that will – subject to certain specific exceptions – permanently bar (i) any action by any person or entity against any Releasees seeking contribution for any of the claims asserted in the Securities Action, and (ii) any action by any Releasees against any person or entity seeking contribution for any of the claims asserted in the Securities Action. Any verdict or judgment that might be obtained against any person or entity who is not a Releasee will be reduced by the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Securities Class or (ii) the amount paid by the Settling Defendants to the Securities Class in connection with this Settlement.

The Court will also enter a "Complete Bar Order" permanently barring, subject to certain specific exceptions: (i) any person from filing any claim for indemnification, contribution, or otherwise against any of the Releasees under state, federal or common law if such claim is based upon, arises out of, or relates to any of the Released Claims in the Securities or ERISA Actions; and (ii) any Releasee from filing any claim (for indemnification, contribution, or otherwise against any person under state, federal or common law if such claim is based upon, arises out of, or relates to any of the Released Claims in the Securities Action or ERISA Actions. The Complete Bar Order will also provide that any verdict or judgment that might be obtained against any person or entity who is not a Releasee will be reduced by the greater of (i) an amount that corresponds to the percentage of responsibility of the Settling Defendants for the loss to the Securities Class or ERISA Class, or (ii) the amount paid by the Settling Defendants to the Securities Class (if the judgment is on behalf of the Securities Class) or the amount paid by the Settling Defendants to the ERISA Class (if the judgment is on behalf of the ERISA Classes) in connection with this Settlement.

Should the Court decline to enter either of these proposed Bar Orders, the Releasees may terminate the Settlement.

Any person or entity that objects to the Bar Orders may appear at the Fairness Hearing and be heard by the Court regarding why the Bar Orders should not be entered by the Court.

3. Why are these cases Class Actions?

In a class action, one or more plaintiffs called Class Representatives sue on behalf of people who have similar claims. All of the individuals and entities on whose behalf the Class Representative is suing are Class Members. One court resolves the issues for all Class Members, except for those who choose to exclude themselves from the Class if exclusion is permitted by applicable rules of procedure. U.S. District Judge Gerard E. Lynch is presiding over these class actions.

In the Securities Action, the Class Representatives are the Public Employees' Retirement System of Ohio, the State Teachers' Retirement System of Ohio, Richard P. Kleinknecht, Staro Asset Management, the Bennett Funds, James F. Tucker, B. I. Shuster, Bella Pill, Michael A. Bernstein Profit Sharing Plan and Roman Foltyn.

In the Global Crossing RSP Action, the Class Representatives are Scott Johnson, Janet Mahoney and Bruce Hill. In the Bargaining Unit RSP Action, the Class Representatives are John Pusloskie, Daniel Chizuk, Dennis Thomas, Sandra Cuombe, Joanne Cunningham, Bruce Coleman, Richard Downey, Joanne Bauman, Robert Horvath, Thomas Nordseth, Robert Johnson, Rhonda Rademacher, Randy Vansicle, Daniel Zabel, Dennis Dunbar, Willis Hood, Mary Baker, Dennis Ramus and Hope Hughett. In the Severance Action, the Class Representatives are Randal Simonetti, Shamim Boyce, Robert Ebertz and Mary Jo Yatteau.

4. Why is there a Settlement?

The Court has not reached any decisions in connection with plaintiffs' claims against Settling Defendants. Instead, the plaintiffs and the Settling Defendants and certain Releasees have agreed to a Settlement. In reaching the Settlement, they have avoided the cost and time of a trial. Plaintiffs have agreed to this Settlement to preserve the Settling Defendants' insurance proceeds so that this money can be paid to the Class Members. The costs of defending these actions were rapidly depleting the Settling Defendants' insurance money. The Settling Defendants would certainly have exhausted a substantial portion of the remaining insurance money if these cases were to go to trial. Given the insolvency of Global Crossing and Asia Global Crossing, plaintiffs could not be sure they would be able to collect on a judgment against the Settling Defendants even if they were able ultimately to obtain one if the insurance proceeds were to be substantially depleted or to be unavailable. In addition, with respect to the ERISA Actions, substantial uncertainty existed about the availability of insurance coverage even if ERISA Plaintiffs were to win at trial given the insurer's consistent position that no coverage for ERISA claims existed.

In addition, as with any litigated case, the plaintiffs would face an uncertain outcome if these cases went to trial. On the one hand, a trial could result in a verdict greater than this Settlement. On the other hand, a trial could result in a verdict lower than plaintiffs have obtained in this Settlement, or even no recovery at all for the plaintiffs.

Based on these factors, the Class Representatives and their attorneys in this case think the Settlement is best for all Class Members.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first must determine whether you are a Class Member.

5. How do I know whether I am part of the Settlement?

United States District Judge Gerard E. Lynch has preliminarily certified for purposes of this Settlement a Class in the Securities Action that consists of, subject to certain exceptions identified below, the following individuals and entities:

All persons, entities, or legal beneficiaries or participants in any entities who, during the period from February 1, 1999 to December 8, 2003, purchased, sold, exchanged, acquired, disposed of, transferred or made any other investment decision involving Global Crossing or Asia Global Crossing securities.

Judge Lynch also has preliminarily certified for purposes of a Class this Settlement in the ERISA Actions that consists of, subject to certain exceptions identified below, the following individuals:

- The Global Crossing RSP Action:

All individuals who were participants or have (or had) an interest in the Global Crossing Employees' Retirement Savings Plan at any time between September 28, 1999, and December 8, 2003.

- The Bargaining Unit RSP Action:

All individuals who were participants or have (or had) an interest in the Frontier Group Bargaining Unit Employees Retirement Savings Plan at any time between September 28, 1999, and December 8, 2003.

- The Severance Action:

All individuals who are or were participants, or who have (or had) an interest, in the Frontier Corporation/Global Crossing Ltd. Change of Control Severance Plan.

6. Are there exceptions to being included?

You are not a Securities or ERISA Class Member if you are a defendant in this case. Current and former officers and directors of Global Crossing and Asia Global Crossing are also excluded from the Class. Also, immediate family members, heirs, successors of defendants and officers and directors of Global Crossing, Asia Global Crossing and any affiliate or entity in which any defendant holds a controlling interest are not Securities or ERISA Class Members.

You are not a Securities Class Member if you submit a valid and timely request for exclusion from this Settlement. The procedure for requesting exclusion from the Settlement is described below in the Answer to Question No. 13, "How do I get out of the Settlement?"

You are not a Securities Class Member if, while represented by a lawyer, you settled an actual or threatened lawsuit with Global Crossing, Asia Global Crossing or one of the Releasees and released Global Crossing, Asia Global Crossing and the Releasees from further claims concerning the purchase, sale or exchange of Global Crossing securities.

If one of your mutual funds owns shares of Global Crossing or Asia Global Crossing, that alone does not make you a Securities Class Member. You may contact your broker to see whether you have held Global Crossing or Asia Global Crossing securities.

In the 401(k) Actions, you are not an ERISA Class Member if, while represented by counsel, you settled an actual or threatened lawsuit or other proceeding with Global Crossing and/or a Settling Defendant named in the ERISA Actions, and released Global Crossing and the other persons released under the Settlement Agreement from any further claims concerning the purchase, sale, exchange, acquisition, disposal, transfer or any other investment decision involving Global Crossing Securities in the Global Crossing RSP or in the Bargaining Unit RSP.

In the Severance Action, you are not an ERISA Class Member if, while represented by counsel, you settled an actual or threatened lawsuit or other proceeding with Global Crossing and/or a Settling Defendant named in the ERISA Actions, and released Global Crossing and the other persons released under the Settlement Agreement from any further claims concerning their participation or interest in the Frontier Corporation/Global Crossing Ltd. Change of Control Severance Plan.

7. I am still not sure whether I am included.

If you are still not sure whether you are included, you can ask for help, which will be provided to you at no cost. You can call the Claims Administrator at 1-866-808-3497, or write to the following address:

Global Crossing, Ltd. Securities and ERISA Litigation
c/o The Garden City Group, Inc., Claims Administrator
P.O. Box 9000 #6152
Merrick, NY 11566-9000

Or you can fill out and return the Proof of Claim form to see whether you qualify.

THE SETTLEMENT BENEFITS - WHAT YOU GET

8. What does the Settlement provide?

The Securities Action

The Settling Releasees have agreed to pay approximately \$245 million (subject to fluctuations in the exchange rate, and deductions for certain reserves and implementation costs as explained herein), to settle claims and potential claims brought by persons or entities that purchased or otherwise acquired Global Crossing and Asia Global Crossing securities during the Securities Class Period. Of the amount to be distributed to the Securities Plaintiffs, 8% of the amount will be allocated to purchasers and holders of Asia Global Crossing securities during the

appropriate Class Period.⁵ The remaining 92% will be distributed to the persons or entities who purchased and held Global Crossing securities during the Class Period. Participants in the ERISA Action Settlement may also participate in the Securities Action Settlement if they purchased or held Global Crossing or Asia Global Crossing securities directly, in addition to any purchases that were made by an ERISA plan on their behalf. Under the Securities Plan of Allocation, there will be no offset for payments received by an ERISA plaintiff. The Settlement will result in the dismissal and/or release of certain claims by all Class Members in the Securities Action against the persons and entities included in the definition of "Releasees" under the Settlement Agreement.

The money left over after the payment of all fees and costs will be distributed to the Class Members who send in a valid Proof of Claim form before the September 6, 2004 deadline. The Settlement proceeds will be distributed to the Class Members in accordance with the provisions of the Plan of Allocation, which is explained below in the Answer to Question No. 9.

Because a significant portion of the Securities Action Settlement will be paid into the Settlement Fund in British Pounds and not converted until after the Settlement is approved, the actual amount of the Settlement will depend, in part, on fluctuations in foreign exchange rates. For purposes of assessing whether the Settlement is fair, reasonable and adequate, the average exchange rate for the thirty (30) days preceding the date on which the Court preliminarily approved the Settlement (March 19, 2004) will be used. Also, the value of money available for distribution to Class Members will be reduced by: (1) Settling Defendants' litigation expenses that are expected to be incurred during the period in which the Settlement is implemented (subject to a \$5.6 million cap) as described at the end of this Section; (2) Settling Defendants' litigation expenses relating to other lawsuits during the period in which the Settlement is implemented (subject to a \$20 million cap) and for up to four years after the date on which the Settlement was executed, as described at the end of this Section; (3) defense costs incurred before execution of the Settlement Agreement that had to be billed by April 19, 2004; and (4) the \$13 million payment to Global Crossing's secured creditors and the Estate Representative for the release of certain persons and for their consent to the Settlement, as described above.

The ERISA Actions

The Settling Defendants have agreed to create an approximate \$79 million fund (less all taxes, approved costs, approved expended reserves, fees and expenses), to be apportioned 98.72% to the 401(k) Actions and 1.28% to the Severance Action.

Because a significant portion of the Settlement will be paid to the Settlement Fund in British Pounds and not converted until after the Settlement is approved, the actual amount of the Settlement will depend, in part, on fluctuations in foreign exchange rates. Also, the amount of money available for distribution to or for the benefit of ERISA Class Members will be reduced by (1) up to \$1.4 million in litigation expenses that may be incurred by the Settling Defendants in finalizing this Settlement or before this Settlement is finalized, in connection with other claims as described at the end of this Section; (2) \$5 million that will form a portion of a \$25 million claim reserve amount that will be available to pay the cost of defense of other claims as described at the end of this Section; (3) defense costs incurred before execution of the Settlement Agreement that had to be billed by April 19, 2004; and (4) a \$3,250,000 payment to Global Crossing's secured creditors and the Estate Representative for the release of Global Crossing's outside directors and for their consent to the Settlement.

Reserve Accounts

Implementation Period Claim Reserve

The Parties to the Settlement Agreement agreed to establish what is referred to in the Settlement Agreement as the Implementation Period Claim Reserve. This reserve, which has a \$7 million cap, will be used to pay for costs associated with (i) the implementation of this Settlement, including costs to address any objections and appeals, and (ii) continued defense costs incurred with respect to related claims. Of the \$7 million cap, up to \$5.6

⁵ Asia Global Crossing was a distinct legal entity from Global Crossing even though Global Crossing owned approximately 51% of the company. Asia Global Crossing securities traded separately from Global Crossing's securities. The 8% allocation is in recognition of the distinct nature of the companies, securities and claims being made on behalf of purchasers and holders of those securities. The lawyers for the lead plaintiffs in the Asia Global Crossing securities fraud class action, including the lawyer placed on the Executive Committee for Asia Global Crossing plaintiffs as described above, have agreed that this allocation is fair and reasonable.

million (80%) may be paid out of the insurance proceeds for the Securities Action and up to \$1.4 million (20%) may be paid out of the insurance proceeds for the ERISA Actions. Any money left over in the reserve as of the Final Settlement Date will be distributed to the Securities Action Settlement and the ERISA Actions Settlement consistent with the terms of the Settlement Agreement. The Settling Defendants insisted on this reserve to cover costs associated with implementing this Settlement. Plaintiffs agreed to this reserve because those costs would normally be covered by the Settling Defendants' insurance policies, which are being exhausted in consummation of the Settlement. Such costs would include those associated with responding to any objections to the Settlement, participating in confirmatory discovery, on-going implementation costs, and responding to any appeals.

Post-Implementation Period Claim Reserve

The Parties to this Settlement also agreed to establish what is referred to in the Settlement Agreement as the Post-Implementation Period Claim Reserve. This reserve, which has a \$25 million cap, will enable the individual insurers by the policies to defend claims that would otherwise be paid by the insurers funding this Settlement. Of the \$25 million cap, up to \$20 million (or 80%) may be paid out of the insurance proceeds that would cover the claims in the Securities Action and up to \$5 million (or 20%) may be paid out of the insurance proceeds that would cover the claims in the ERISA Actions. In certain circumstances, plaintiffs have a right to challenge requests for defense costs as well as requests for an allocation of Claim Reserve monies to pay for the settlement of any claims. Any money left over in the reserve will be distributed in the same manner as the principal Settlement proceeds are distributed, as described above in the Answer to Question No. 9.

Because the Settlement would result in the exhaustion of their insurance coverage, the Settling Defendants insisted on the formation of the reserve to provide them with some protection in defending themselves against other related lawsuits in which they face a potential multi-billion dollar exposure. Even though the Settling Defendants face potential multi-billion dollar liabilities in the Secured Creditors' Action, the Estate Representative's Action, the Underwriters' Action and other suits, the Settling Defendants have agreed to settle the securities claims and exhaust the remaining insurance proceeds other than the amounts placed in the reserve accounts.

9. How much will my payment be?

The Securities Action

Your share of the Settlement Fund (subject to the *de minimis* provision) will depend on the number of valid claim forms that Class Members send in, how many Global Crossing or Asia Global Crossing stocks or bonds you bought, and when you bought and sold them. Here is how it works:

- Class Counsel and their expert consultants have prepared a Plan of Allocation that provides instructions for the Claims Administrator to determine each Class Member's proportionate share of the Settlement money.
- The Plan of Allocation provides a mathematical formula for determining the amount of money or "Recognized Claim" that will be paid to holders of each class of Global Crossing securities and Asia Global Crossing securities.
- The mathematical formula is based on the alleged artificial inflation in the prices of Global Crossing and Asia Global Crossing securities at any particular time.
- To calculate whether you had a net gain or net loss on your transactions in each class of Global Crossing or Asia Global Crossing stock, preferred stock or bonds, we (the Class Counsel) will look at four factors: (1) the price you paid for the stock or bond; (2) the price at which you sold it (or the price at the end of the class period if you did not sell); (3) the amount by which plaintiffs' experts have determined the stock or bond was "inflated" on the date of your purchase; and (4) the amount by which plaintiffs' experts have determined the stock or bond was "inflated" on the date of your sale (that number is \$0 if you did not sell by the end of the class period). Because you are entitled to make a claim only for losses in each class of securities that may have been due to the alleged fraud, you have a claim for either (a) the change in inflation between your purchase and sale dates (or the end of the class period if you did not sell) or (b) the amount you actually lost, whichever is less. The

Plan of Allocation, which is attached to this Notice as Exhibit B, provides a detailed explanation of how this method works.

- If you bought stocks or bonds pursuant to a public offering or exchange offer (except the exchange of Frontier Communications stock in 1999), your claim will be increased by 10 percent for the stocks or bonds you acquired.
- Each valid claim will be allocated a proportionate share of the Settlement money based on the claimant's Recognized Claim compared to the Total Recognized Claims of all Class Members who submit valid Proof of Claim forms.
- Class Members who do not file valid and timely Proof of Claim forms will not share in the Settlement proceeds.
- Class Members who exclude themselves from the Securities Class will not share in the Settlement proceeds.
- Settlement checks will be sent to authorized claimants after the Final Settlement Date and after all claims have been processed.
- No distribution will be made to any Class Member who would receive \$10.00 or less.
- Plaintiffs estimate that, if all Class Members make a claim, the average payment will be an average of \$0.042 per share of damaged Global Crossing common stock; \$1.044 per share of damaged Global Crossing preferred stock; \$4.598 per damaged Global Crossing note; \$0.037 per damaged Asia Global Crossing share; and \$22.531 per damaged Asia Global Crossing note. Of these amounts, fees and expenses will be requested of up to \$0.009 per share of damaged Global Crossing common stock, \$0.225 per share of damaged Global Crossing preferred stock, \$0.991 per damaged Global Crossing note, \$0.001 per damaged Asia Global Crossing share, and \$0.898 per damaged Asia Global Crossing note. **Please note that the amounts are only estimates.**
- The Global Crossing Employees' Retirement Savings Plan may also be a participant in the Securities Action Settlement should it choose to participate in the Securities Action Settlement because it was a purchaser and holder of Global Crossing securities.
- Plaintiffs acknowledge that Global Crossing and Asia Global Crossing securities were separately traded and that the claims brought by Global Crossing securities purchasers and holders differ from those brought by Asia Global Crossing securities purchasers and holders. Plaintiffs estimate that the Global Crossing securities purchasers and holders are entitled to 92% of the money that is to be distributed to Class Members and that the remaining 8% of the money should be allocated to purchasers and holders of Asia Global Crossing securities purchasers and holders based on an analysis of their respective claims.

The Plan of Allocation may be modified in connection with, among other things, a ruling by the Court, an objection filed by a Class Member, or a settlement with a person or entity requesting exclusion from the Securities Class.

The ERISA Action

- **The 401(k) Actions**

Your share of the net Settlement Fund will depend on the number of shares of Global Crossing stock that were held in your 401(k) Plan account between September 28, 1999 and December 8, 2003 (which period is referred to in this Notice as the "401(k) Class Period"), and the amount that you lost as a result. The formula will take into account the purchases and sales of Global Crossing stock made in your 401(k) Plan account. The more you lost because of Global Crossing stock in your 401(k) Plan account, the larger your share of the net Settlement Fund will be. It is anticipated, however, that your share of the net Settlement Fund will be less than your actual

losses. You are not responsible for calculating the amount you may be entitled to receive under the Settlement. The Settlement Administrator will do so.

The amount paid to you out of the Settlement Fund (subject to the *de minimis* provision), will be calculated as follows:

- Each participant's "Net Loss" will be calculated. The Net Loss consists of (i) the value of Global Crossing stock in a participant's 401(k) Plan account at the beginning of the 401(k) Class Period (September 28, 1999) plus (ii) the value of Global Crossing stock acquired for the participant's 401(k) Plan account during the Class Period minus (iii) the proceeds of any Global Crossing stock held in the participant's Plan Account that were disposed of during the 401(k) Class Period.
- The Net Losses of the participants will be aggregated.
- Each participant will be assigned a Net Loss Percentage, showing the percentage of the participant's Net Loss in relation to all participants' Net Losses.
- Each participant's share of the net Settlement Fund will be equal to the net Settlement Fund available for distribution to Class Members in the 401(k) Actions, multiplied by the participant's Net Loss Percentage.
- If a participant's share of the net Settlement Fund is greater than zero but less than \$10, that participant will receive an allocation from the net Settlement Fund of \$10.

Do not worry if you do not have records that show your 401(k) Plan activity. The Settlement Administrator will make all calculations for you and, if you are entitled to a share of the net Settlement Fund, will provide you with a statement showing the amount of your share. If you have questions regarding the Settlement or the Settlement amount, please call 1-866-808-3497 or visit www.kellersettlements.com. If your questions concern the Bargaining Unit RSP, you may also call Thomas J. Hart, 1-202-797-8700.

- **The Severance Action**

Your share of the net Settlement Fund will depend on your unpaid entitlements under the Severance Plan. Your unpaid entitlements will be divided by the total unpaid entitlements of all Severance Action Class Members, and the resulting percentage will be applied to the net Settlement Fund available for distribution to Severance Action Class Members to determine each Class Members' share of the Settlement. If your share is greater than zero but less than \$10, you will receive \$10. It is anticipated, however, that your share of the net Settlement Fund will be less than your actual losses. You are not responsible for calculating the amount you may be entitled to receive under the Settlement. The Settlement Administrator will do so. If you have questions regarding the Settlement or the Settlement amount, please call 1-866-808-3497.

If you have questions about the tax consequences of participating in the Settlement, you should consult with your own tax advisor.

10. How can I get a payment?

The Securities Action

To qualify for a settlement payment under the Securities Action, you **must** send in a claim form. A claim form is attached to this Notice. You also may get a claim form on the Internet at www.globalcrossinglitigation.com or by calling the Claims Administrator. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign the form, and mail it postmarked no later than September 6, 2004.

The ERISA Actions

You do not need to file a claim for recovery in the ERISA Actions. If you are a 401(k) Action Class Member entitled to a share of the net Settlement Fund, your share will be deposited in your 401(k) Plan account. If you are a former 401(k) Plan participant and no longer have a relevant 401(k) Plan account, an account will be established for

you in the Global Crossing RSP, and you will be notified of its creation. If you are a former participant and have not provided the Global Crossing RSP with your current address, please contact the Plan Administrator at Global Crossing immediately, or call 1-866-808-3497.

If you are a Severance Action Class Member entitled to a share of the Net Settlement Fund, your share will be sent to you by the Settlement Administrator at addresses provided by Global Crossing. If you do not believe Global Crossing has your current address, please provide it to Global Crossing immediately, or call 1-866-808-3497.

11. When would I get my payment?

Payment to Class Members is contingent on the Court's approval of the Settlement Agreement and on such approvals becoming final and no longer subject to any appeals to any court. If Judge Lynch approves the Settlement, there still might be appeals. Appeals, if any, will take time, perhaps more than a year. If Judge Lynch approves the Settlement, all available proceeds from all of the Settling Defendants' insurance policies will be exhausted in their entirety, and the Settling Defendants' insurers will be discharged and released from all their obligations to the Settling Defendants under the relevant insurance policies.

The Securities Net Cash Settlement Amount and the ERISA Net Cash Settlement Amount will be distributed by the Claims Administrator as soon as possible after final approval has been obtained for the Settlement (which includes exhaustion of any appeals). Any appeal of the final approval may take several years. Any accrued interest on the Securities Net Cash Settlement Amount will be credited to the Class Members. The portion of the ERISA Net Cash Settlement Amount allocable to the 401(k) Actions will be deposited in the Class Members' 401(k) Plan Accounts, as described in the Answer to Question No. 10, above. Individual Class Members are solely responsible for determining the tax consequences, if any, on receiving a distribution from the Settlement.

There Will Be No Payments If The Settlement Agreement Is Terminated.

The Settling Defendants may withdraw from and terminate the Settlement Agreement if requests for exclusion (opt-outs) are received from potential Class Members whose claims, in total, as calculated under the Securities Plan of Allocation, would have exceeded an amount equal to or larger than two and two-tenths percent (2.2%) of the Cash Settlement Amount had they not requested exclusion from the Securities Class. Settling Releasees will notify plaintiffs' counsel in writing by no later than two (2) days before the Fairness Hearing of the Settling Releasees' intent to withdraw from this Settlement.

Simpson Thacher may also terminate its participation in the Settlement Agreement based upon these same provisions. However, Simpson Thacher's decision in that regard will not terminate the Settlement Agreement – only its participation in (and \$19.5 million contribution to) the Settlement.

In addition, any Settling Defendant will be able to terminate the Settlement if a satisfactory resolution of a Department of Labor inquiry has not been obtained if the Settling Defendant exercises such right by no later than five days before the Fairness Hearing. Furthermore, Settling Defendants can terminate the Settlement if the Court does not enter the Contribution Bar Order and the Complete Bar Order as described above.

Any party to the Settlement Agreement can generally terminate the agreement if any court changes the terms of the Settlement.

The settlement of the Securities Action is conditional on the final approval of settlement of the ERISA Actions and vice versa.

The Insurers who are providing insurance proceeds to fund the Settlement will be able to terminate the Settlement Agreement if the Court will not enter an order discharging them of all further obligations under the relevant insurance policies and finding that they acted consistently with their obligations to act in good faith as to all insureds under the policies in connection with their payment of insurance proceeds in the Settlement. Lead Plaintiffs may terminate the Settlement Agreement if the Settlement proceeds are not fully funded as required under the Settlement Agreement.

Everyone who sends in a claim form can receive information about the progress of the Settlement by calling 1-866-808-3497 or writing to: Global Crossing Ltd. Securities Litigation, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9000 #6152, Merrick, NY 11566-9000.

12. What is the effect of my remaining in the Class?

Securities Class

Unless you exclude yourself from the Securities Class, you will be a Securities Class Member and will be bound by all orders and judgments entered by the Court regarding the Settlement. If the Settlement is approved, you will not be able to sue, continue to sue, or be part of any other lawsuit against any Releasees concerning any claims released in this Settlement. (As noted above, a full description of the Release, the Released Claims and the individuals and entities being released is contained in Appendix A). You will be bound by the Release whether or not you submit a Claim Form and/or receive a payment under the Settlement.

ERISA Class

Please see Answer to Question No. 13 below for a thorough explanation of the ERISA class.

13. How do I get out of the Settlement?

Securities Actions

To exclude yourself from that portion of the Settlement that concerns the Securities Action, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re Global Crossing Ltd. Securities Litigation*. (As discussed above and below, you *may not* exclude yourself from the portion of the Settlement that pertains to the ERISA Actions.) If you wish to exclude yourself from the Settlement in connection with the Securities Action, be sure to include your name, address, telephone number, and signature, and mail your exclusion request postmarked no later than July 13, 2004 to:

Global Crossing, Ltd. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
Attn: Exclusions Department
P.O. Box 9000 #6152
Merrick, New York 11566-9000

You cannot exclude yourself on the phone or by e-mail. If you do not follow these procedures – including meeting the date for exclusion set out above – you will not be excluded from the Securities Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement. You must exclude yourself even if you already have a pending case against any of the Releasees based upon the claims being released.

If you ask to be excluded, you will not get any Settlement payment from the Settling Releasees, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit. You might be able to sue (or continue to sue) the Releasees in the future. However, you will not be able to seek any recovery from Global Crossing's (or Asia Global Crossing's) insurance policies, which will be fully exhausted if the Court approves the Settlement.

ERISA Actions

You do not have the right to exclude yourself from the ERISA Settlement. The ERISA Actions were certified under Fed. R. Civ. P. 23(b)(1) and (2) as non "opt-out" class actions because of the way ERISA operates. Breach of fiduciary duty claims must be brought by participants on behalf of the ERISA Plans, and any judgment or resolution necessarily applies to all plan participants and beneficiaries. Thus, it is not possible for any participants or beneficiaries to exclude themselves from the benefits of the Settlement in the ERISA Actions. As an ERISA Action Class Member you will be bound by any judgments or orders that are entered in the ERISA Actions for all claims that were asserted in the ERISA Actions or otherwise included in the release under the Settlement. If you are a Class Member in both the ERISA Actions and the Securities Action and you choose to exclude yourself from the Settlement as a Class Member in the Securities Action, you will continue to be a Class Member in the ERISA Actions and will participate in the ERISA Actions Settlement as described in this Notice.

Although you cannot opt out of the ERISA Settlement, you can object to the Settlement and ask the Court not to approve it. See Answer to Question No. 18 below.

14. If I don't exclude myself from the Settlement in connection with the Securities Action, can I sue the Releasees for the same thing later?

No. Unless you exclude yourself from the Settlement in connection with the Securities Action, you give up any right to sue the Releasees for the claims that this Settlement resolves in connection with the Securities Action. If you have a pending lawsuit against Global Crossing or any of its officers and directors or any other Releasee, speak to the lawyer representing you in that case immediately. You must exclude yourself from this Class to continue your own lawsuit against any Releasee. Remember, your request for exclusion must be postmarked no later than July 13, 2004.

If you are an ERISA Action Class Member, you do not have the right to exclude yourself, and if the Settlement is approved, you will be entitled to share in the Settlement as described elsewhere in this Notice.

15. If I exclude myself, can I get money from this Settlement in connection with the Securities Action?

No. If you exclude yourself, do not send in a Proof of Claim form to ask for money in connection with the Securities Action. (If you are also an ERISA Class Member, you still will receive any payment for which you are eligible under the part of the Settlement pertaining to the ERISA Actions.) If you exclude yourself from the Securities Class, you will be able to sue, continue to sue, or be part of a different lawsuit against the Releasees, although you will not be able to seek any recovery from Global Crossing's (or Asia Global Crossing's) applicable insurance coverage, which will be fully exhausted if the Court approves the Settlement.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in the case?

The Court has appointed the law firm of Grant & Eisenhofer, P.A., located in Wilmington, Delaware, to represent the Lead Plaintiffs and all other Class Members in the Securities Action. The Court created the Executive Committee consisting of lawyers representing different Global Crossing and Asia Global Crossing interests including separate lawyers representing: (a) stockholders of Frontier Corporation at the time the company was acquired by Global Crossing; (b) stockholders of IPC and IXNet at the time the companies were acquired by Global Crossing; (c) Global Crossing bond holders; (d) Global Crossing preferred stockholders; and (e) Asia Global Crossing stockholders. These lawyers are called Class Counsel. You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

In the ERISA Actions, the Court has appointed a committee consisting of Keller Rohrback, LLP (as Lead Counsel), and Barrett Johnston & Parsley and Schiffrin & Barroway (as Members) to represent the Lead Plaintiffs in the Global Crossing RSP Action and all other Global Crossing RSP Action Class Members. Plaintiffs in the Bargaining Unit RSP Action are represented by Slevin & Hart, P.C., and plaintiffs in the Severance Action are represented by Chamberlain, D'Amanda, Oppenheimer & Greenfield.

17. How will the lawyers be paid?

Counsel for Lead Plaintiffs in the Securities Action and the ERISA Actions will file motions for the award of attorneys' fees and expenses. These motions will be considered at the Fairness Hearing. As previously described, Securities Lead Counsel has agreed to seek an award of attorneys' fees not to exceed \$38.4 million, plus reimbursement of its expenses not to exceed \$2.9 million. Securities Lead Counsel will not apply for fees on the reserve accounts totaling \$25.6 million that are being created to pay for settlement-implementation and ongoing defense costs or on the \$13 million payment being made to Global Crossing's secured creditors and the Estate Representative. The attorneys' fees and expenses will be paid out of the Settlement proceeds to the extent ordered by the Court. The Settling Releasees have agreed not to oppose these fees and expenses. The costs to administer the Settlement will also be paid out of the Settlement proceeds.

Class Counsel in the 401(k) Actions have agreed to seek an award of attorneys' fees not in excess of 20% of the recovery under the Settlement with respect to the 401(k) Actions, plus reimbursement of expenses incurred in connection with the prosecution of the ERISA Actions. Lead Counsel in the Severance Action has agreed to seek an award of attorneys' fees not in excess of 20% of the recovery under the Settlement with respect to the Severance Action, plus reimbursement of expenses incurred in connection with the prosecution of the Severance Action. Lead

Plaintiffs in the ERISA Actions will not apply for fees on reserves totaling \$6.4 million that are being funded from the Settlement Fund to pay for settlement-implementation and ongoing defense costs.

OBJECTING TO THE SETTLEMENT OR THE ATTORNEYS' FEES

If you do not exclude yourself from the Securities Class and/or if you are an ERISA Class Member, you can tell the Court that you do not agree with the Settlement or some part of it, including the attorneys' fees and expenses the lead attorneys representing the plaintiffs in the Securities Action and ERISA Action intend to seek.

18. How do I tell the Court that I don't like the Settlement?

If you are a Securities Class Member and you do not exclude yourself, and/or if you are an ERISA Class Member, you can object to the Settlement if you do not like any part of it. You can give reasons why you think the Court should not approve it. To object, you must send a letter or other filing saying that you object to the proposed Settlement in *In re Global Crossing Securities and ERISA Litigation*, Case No. 02 Civ. 910 (GEL). Be sure to include your name, address, telephone number, signature, and the reasons you object to the Settlement. Your written objection must be served on the following counsel and must be received by them no later than July 13, 2004:

Securities Plaintiffs' Lead Counsel	Settling Defendants' Lead Counsel
Jay W. Eisenhofer, Esq. Sidney S. Liebesman, Esq. Grant & Eisenhofer, P.A. 1201 N. Market Street Suite 2100 Wilmington, DE 19801	Ralph C. Ferrara, Esq. Ann M. Ashton, Esq. Debevoise & Plimpton LLP 555 13th Street N.W. Suite 1100-E Washington, D.C. 20004
ERISA Plaintiffs' Lead Counsel	
Lynn Lincoln Sarko, Esq. Gary A. Gotto, Esq. Keller Rohrback LLP 1201 Third Avenue Suite 3200 Seattle, WA 98101-3052	Thomas J. Hart, Esq. Slevin & Hart, P.C. 1625 Massachusetts Ave. N.W. Suite 450 Washington, DC 20036

You must also file your objection with the clerk of the United States District Court for the Southern District of New York. The address is: Clerk of the U.S. District Court for the Southern District of New York, Daniel Patrick Moynihan United States Courthouse, 500 Pearl Street, New York, NY 10007-1312. The Clerk **must** receive your objection no later than July 13, 2004.

19. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you are a Class Member. Excluding yourself is telling the Court that you do not want to be part of the Class. As discussed above, you may exclude yourself from the Securities Class but not the ERISA Class. If you exclude yourself from the Securities Class and you are not an ERISA Class Member, you have no basis to object, because the case no longer affects you. If you do not exclude yourself from the Settlement, you will remain a member of Class and will be bound by the terms of the Settlement Agreement (including the Release) and all orders and judgments entered by the Court regarding the Settlement regardless of whether the Court accepts or denies your objection.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement as fair, reasonable and adequate (the "Fairness Hearing"). You may attend the Fairness Hearing, and you may ask to speak, but you do not have to attend.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at 9:30 a.m. on July 23, 2004 at the United States District Court for the Southern District of New York, 40 Centre Street, New York, New York, in Courtroom 443. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement. The Court will also rule on the motions for attorneys' fees and expenses. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Class Counsel will answer any questions Judge Lynch might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, it will be before the Court when the Court considers whether to approve the Settlement as fair, reasonable and adequate. You also may pay your own lawyer to attend the Fairness Hearing, but attendance is not necessary.

22. May I speak at the hearing?

If you are an ERISA Class Member or a Securities Class Member who has not requested to be excluded from the Securities Class, you may ask the Court for permission to speak at the Fairness Hearing. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *In re Global Crossing, Ltd Securities and ERISA Litigation*." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the counsel listed above (at page 27) no later than July 13, 2004, and must be filed with the Clerk of the Court at the address listed above (at page 27), in the Answer to Question No. 18. You cannot speak at the Fairness Hearing if are a Securities Class Member and you exclude yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing and you are an ERISA Class Member, you will participate in the ERISA Actions Settlement as described above in this Notice if the Settlement is approved.

If you do nothing and you are a Securities Class Member, you will not receive any payment in connection with that portion of the Settlement relating to the Securities Action. Even if you receive no payment, you will not be able to start a lawsuit, continue a lawsuit, or be part of any other lawsuit against any Releasees based on the claims in the Securities Action unless you exclude yourself.

GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. The complete Settlement is set out in the Settlement Agreement. You may request a copy of the Settlement Agreement in writing to Global Crossing, Ltd. Securities Litigation, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9000 #6152, Merrick, New York 11566-9000. There may be a charge for copying and mailing the Settlement Agreement. Copies may be obtained for free at www.globalcrossinglitigation.com. ERISA class members may also obtain a copy of the Settlement Agreement for free at www.keller settlements.com. The Settlement Agreement was also filed in the *In re Global Crossing Ltd. Securities and ERISA Litigation*, 02-CV-910 with the Clerk of the United States District Court for the Southern District of New York and may be obtained from the Clerk's office directly.

25. How do I get more information?

You can call 1-866-808-3497 toll free, write to the Claims Administrator, or visit the website at www.globalcrossinglitigation.com, where you will find answers to common questions about the Settlement, the claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for payment.